



TRACECA: Common Legal Basis
for Transit Transportation

Inception Report

February 2003

REPORT COVER PAGE

Project Title	: Common Legal Basis for Transit Transportation		
Contract Number	: 2002/027-526		
Countries	: Armenia, Azerbaijan, Bulgaria, Georgia, Kazakhstan, Kyrgyzstan, Moldova, Romania, Tajikistan, Turkey, Turkmenistan, Ukraine, Uzbekistan.		
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1. PROJECT SYNOPSIS

Project Title	: Common Legal Basis for Transit Transportation
Contract Number	: 2002/027-526
Beneficiary countries:	Armenia, Azerbaijan, Bulgaria, Georgia, Kazakhstan, Kyrgyzstan, Moldova, Romania, Tajikistan, Turkey, Turkmenistan, Ukraine and Uzbekistan.

Wider objectives : To perceive legal barriers and to remove the same through harmonization of national transit transport legislation by means of enhancing transparency and efficiency, achieving consolidation of competition and free market practices and bringing TRACECA countries closer to relevant EU transport policy.

Specific objectives : To provide the TRACECA States with the necessary elements for organising a common legal basis for transit traffic in each state by proposing accession to the relevant priority international Conventions, drafting and promoting adoption of a multimodal transit law/Protocol(s) of amendment, additions or annexes to the MLA.

Planned outputs

- Establishment of:
 - National Legal Working Groups (LWG)
 - Multilateral LWG,
- Bilateral and Multilateral Agreements collected and changes recommended
- Recommended Conventions ratified and implementation facilitated
- Guide to International Conventions elaborated
- Multimodal transit model law promoted/Protocol to the MLA (subject to decision of the Parties to the MLA)
- TRACECA permit and quota system elaborated
- Modern technical vehicle standards recommended
- Legal assistance to the IGC Permanent Secretariat
- Financing support to the National Secretaries of the Parties of the MLA, General Secretary and Executive Secretary of the PA IGC TRACECA and two working groups

Planned activities

- In close co-operation with the Permanent Secretariat and National Commissions, to set up National and Multilateral Legal Working Groups (NLWG and MLWG)
- To catalogue the present bilateral and multilateral transport transit agreements applicable to TRACECA states, analysing their impact on the MLA and recommending appropriate action to adapt or modify them where they are in conflict with it.

- To assist TRACECA states to accede to and implement priority international conventions. In respect of each recommended Convention:
 - review and report on the difficulties being experienced with implementation in each newly adhering state;
 - help counterparts to overcome any problems which can be resolved through technical assistance;
 - Investigate the opportunities for wider availability of commercial insurance in respect of cargoes and carrier liability;
 - prepare a list of recommendations for future action especially where inadequate investment in infrastructure or manpower is impeding implementation.
- To produce a Guide to International Conventions and Agreements for transport operators and traders including:
 - a detailed description of the Convention on a Common Transit Procedure of 20.5.87 which is relevant to the parallel TRACECA Harmonisation of Border Crossings project;
 - an explanatory section on the MLA and its annexes;
 - an explanatory section on international permit and quota systems in road transport.
- To propose a draft multimodal transit law using material compatible with the UNCTAD/ICC Rules and FIATA FBL and codes of practice as devised by the TRACECA Legal Framework project
- In close co-operation initially with the Permanent Secretariat and then with the LWGs at National level to assess the feasibility of introducing a regional system of road haulage permits and
- To propose technical standards for road freight vehicle construction-and-use that could be incorporated within the road transport Annexe to the MLA and phased in over a period of years. Also to suggest how EU standards on Operator Licensing and Drivers' hours could be adapted for use in the region, building on the work recently completed by the International Road Transport Facilitation project.
- To provide advice and assistance to the IGC and Permanent Secretariat in the preparation of any Directives considered necessary to implement recommended changes in accordance with the international practices at the regional level and similar assistance to National Commissions preparing proposals for submission to Ministers or Parliament.
- Financial Support to the General Secretary, Executive Secretary and National Secretaries, including monthly indemnities, travelling and office expenses, and two working groups for the period October 1st 2002 to July 1st 2003.

Target group	:	Ministries of Transport or Cabinet of Ministers of beneficiary countries/President's Office.
Beneficiaries	:	TRACECA National Commissions TRACECA IGC Permanent Secretariat

Inputs	:	Technical Assistance will include: International expertise: 462 man/days Team leader; 506 man/days long-term senior experts; 518 man/days short-term senior experts. Local expertise: 1452 man/days long-term junior experts; 1320 man/days short-term local senior experts. Setting up of at least three regional offices (Baku, Tashkent and Bucharest) and a sub-office in Tbilisi.
Project starting date	:	November 21, 2002
Project duration	:	24 months

2. ANALYSIS OF PROJECT

2.1. Start situation

2.1.1. Signatory/Kick-Off Meetings

The Contract was signed on the 21st of November 2002.

On the same date, the kick-off meeting in Brussels took place. This meeting was attended by Mr. Efstathios Dalamangas, Task Manager of TRACECA Program and Mr. Thomas Lamnidis, the Project Team Leader.

Mr. Thomas Lamnidis addressed the issues concerning Contractor's approach to the project performance and proposed a tentative working plan for the project, subsequently approved by the European Commission. (See **Annex 1** for the Protocol of the meeting).

The kick-off meeting addressed several issues crucial for the Project performance, which were taken as guidelines by the project management:

- need for immediate cooperation with the Permanent Secretariat within the scope defined in the Terms of Reference
- need for making use of the deliverables and experience of the on-going relevant TRACECA Projects Harmonization of the Border Crossing Procedures and Unified Policy for Transit Fees and Tariffs
- coordination of activities with TRACECA Coordination Team, which has its Team Leader situated in Baku, PS, acting also as Supervisor to the PS IGC TRACECA, and coordinators situated in the Black Sea and Central Asia
- strict adherence to the TACIS current procedures

During the meeting in Brussels, the participants submitted a draft agenda of the kick-off meeting, which was consequently held on December 3, 2002 in the Permanent Secretariat of the Intergovernmental Commission TRACECA in Baku.

The kick-off meeting in Baku was held by the international experts of the Project and attended by the General Secretary of the PS IGC TRACECA, Executive Secretary of the PS IGC TRACECA, National Secretary of Azerbaijan, Team Leaders of the TRACECA Coordination Team Project and Harmonization of the Border Crossing Procedures, Unified Policy for Transit Fees and Tariffs projects. (See **Annex 2** for the Protocol of the meeting).

This meeting emphasized the Project's role as a follow-up tool for the implementation of the Basic Multilateral Agreement signed by the 12 signatory countries.

The meeting addressed several issues, which affected the Project's performance during the inception phase:

- need for active involvement of the signatory countries to MLA in preparation for the Working Group, January 2003, which considered new drafts of the Rules of Procedure of the IGC TRACECA and the Statutes of the PS IGC TRACECA
- need to mobilize the Project's funds to cover indemnities, accommodation and office expenses of the General Secretary, Executive Secretary and National Secretaries of the PS IGC TRACECA, which the Project's budget provides for
- need to organize presentation (kick-off meeting for beneficiaries) of the Project to the representatives of the Parties to MLA

The Project considered its priority action to convene, as provided in the Final Resolutions of the Second IGC TRACECA Conference, Item 7 thereof, Working Group of National Secretaries and Lawyers, which was held in Baku on January 23-24, 2003 in the Permanent Secretariat IGC TRACECA, to elaborate the Rules of Procedures of the IGC TRACECA and Statutes of the

Permanent Secretariat of IGC TRACECA to be finally adopted by the next IGC Conference and to agree the mechanism of joint financing of the PS IGC TRACECA.

Taking the opportunity of the January 2003 Working Group Meeting a kick-off meeting with the beneficiaries, was held and a presentation of the Project was given in the form of Power Point by the Project Coordinator Mr. V Turdzeladze, who addressed the National Secretaries of the 12 TRACECA Member-States¹. The Presentation paper is attached herewith as **Annex 3**.

As decided upon the kick-off meeting with representatives of the PS IGC TRACECA in Baku, there were several meetings held during the initial weeks, with experts of the Permanent Secretariat IGC TRACECA and the projects TRACECA “Coordination Team”, Harmonization of the Border Crossing Procedures, Unified Policy for Transit Fees and Tariffs to identify the required adjustments to the Terms of Reference and to ascertain immediate needs. These meetings were held in a very cooperative and progressive atmosphere with all participants².

2.1.2. Project Organization & Experts Input

The Project’s organizational methodology applied during Inception phase³, comprises (1) the policy of approaching the project’s goals at multilateral and sub-regional levels, (2) perception of diversity of the TRACECA region, and, in this regard, promotion of the sub-regional cooperation, (3) built-in flexibility component, allowing for adjustment of the Project’s planning whenever required, (4) reorganization of the experts input to provide for more legal, transport and coordination expertise rather than trade and institutional expertise. Please refer to the Table 1 below.

Table 1 Project Team

Project Team			
#	Name of expert	Position	Months
1.	Thomas Lamnidis	Long-term legal expert and Team Leader	21
2.	Vadim Turdzeladze	Long-term transport expert and Project Coordinator	21
3.	Andreas Tsirikos	Long-term trade expert	2
Short-term international experts			
4.	Thanos Karvelis	Short-term legal expert	8
5.	Dimitris Kouvaras	Short-term legal expert	6
6.	Kostas Georgiou	Short-term transport expert	2
7.	Emmanuel Megalokonomos	Short-term institutional expert	2
Pool of other short term international experts (5,5 man months)			
8.	Yannis Palassakis	Short-term expert	
9.	John Dalezios	Short-term expert	
10.	Yannis Kyrnassios	Short-term expert	
11.	Evelina Markoulaki	Short-term expert	
12.	Alekos Kalofolias	Short-term expert	
13.	Vassilis Evmolpidis	Short-term expert	
14.	Christos Maltezos	Short-term expert	
15.	Konstantinos Psaradelis	Short-term expert	
16.	Dimitris Tsesmetzoglou	Short-term expert	
17.	Panayotis Glavinis	Short-term expert	
18.	Plamen Tonchev	Short-term expert	

(1) In order to organize the Project’s performance at multilateral level, the Contractor, from the very beginning, arranged for close collaboration with PS IGC TRACECA and National Secretaries for the set up of the Multilateral and National Legal Working Groups.

¹ The National Secretary of Romania was not present. Uzbekistan was represented by First Secretary of the Embassy of Uzbekistan in Azerbaijan. Please refer to **Annex 4** for the List of Participants of the Working Group Meeting.

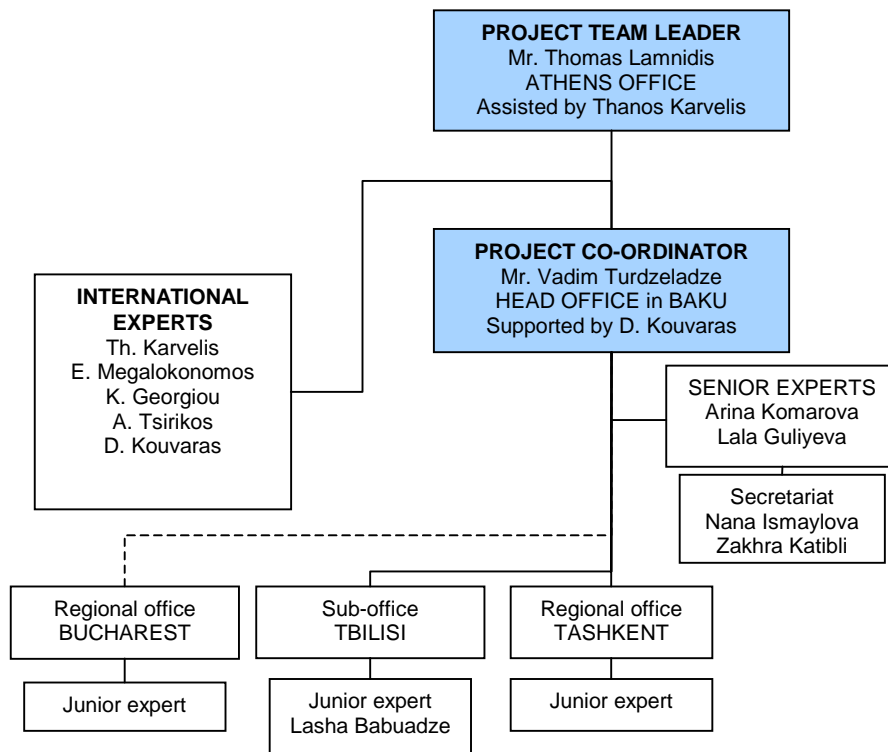
² See Item 3.7 for specific activities of the Project Inception phase, including brief reporting on the subject meetings

³ Overall Project approach is given in Item 3.4 of this Report

At the same time, for better efficiency of the project implementation and mobilized regional efforts, which, in the opinion of the Contractor, should bring to the supra-regional effect in the domain of transit transportation covering the TRACECA transport area, the Project’s management decided to re-organize the pool of local experts as shown on the Project Organizational Chart below.

This re-allocation of the experts’ time was meant to serve the following purposes:

- (1) Increase of Permanent Coordination Component: man/days added to the Project Coordinator, to allow the Team Leader to travel across the countries to dedicate sufficient time to each of the countries involved;
- (2) Increase of legal expertise component: man/days added to Team Leader and legal expert (a) to conduct bilateral consultations with the Parties to MLA; (b) to conduct bilateral consultations with potential MLA members; (c) to prepare and promote Protocol(s) of addendum/amendments or Technical Annexes to the MLA; (d) to further elaborate the Rules of Procedure of the IGC TRACECA and Statute of the Permanent Secretariat.



(2) The permanent offices in key-countries were set up during the Inception Phase in Azerbaijan, Uzbekistan, and Georgia as follows: Head office in Baku, regional office in Tashkent and a sub-office in Tbilisi. Taking into account the strategic importance of the Caucasian region as important transit artery for transportation of cargoes between Europe and Asia, the Contractor arranged for setting up of offices in Baku and Tbilisi.

The location of the offices in Baku, Tashkent, Tbilisi and Bucharest (to be set up) has been rationally decided on the basis of geographical distances within the TRACECA region. Any expenditure incurred by the possible creation of additional regional offices will be met accordingly through reallocation of funds.

(3) As it is fully described in Item 3.4 of the Report, the built-in flexibility approach applies to all Project phases. However, as a matter of fact, the project's start was influenced by the international relations of the beneficiary states, which evolved since the Terms of Reference. Thus, possible enhancement of the MLA members for inclusion of Greece, Iran and Afghanistan was duly considered by the Project's experts upon official request of the IGC TRACECA. Furthermore, already in the start, the selection of alternative paths, provided for in the Technical Proposal of the Contractor, became obvious. Please refer to Project Activities section.

2.2. Relevant Project Context

The relevant Project context is perceived by the Contractor as the one comprising the following elements: (1) regional background covering 13 countries; (2) existing institutional tools to be used for project operation; (3) recent developments in the region relevant to the Project's context; (4) significance of an increased compatibility of transit transport legislation and networks of the partner states.

(1) The 13 countries' profile⁴ reveals two seemingly contradictory facts: i) the huge economic potential of the area on the one hand, and ii) the high degree of fragmentation of the TRACECA area on the other hand. The TRACECA network covers a West-East transport corridor from Europe, across the Black Sea, through the South Caucasus and the Caspian Sea all the way to Central Asia. This pursuit builds on the Trans European networks on EU territory, the Pan European Transport Corridors in Europe, especially the Black Sea Pan European Transport Area (PETrA) and the new Silk Route to Asia.

The Project follows its core objective, as set out in the ToR, taking prime steps towards providing the TRACECA partner states with the necessary elements for both a common legal basis for transit transport and a list of technical standards for road freight vehicle construction and use.

(2) Currently, the TRACECA Institutional Framework provides the following means allowing one to achieve harmonisation of the domestic legislation of the participating countries:

- The Basic Multilateral Agreement (MLA);
- The possibility to draft and promote Protocols pertaining to Additions, Amendments and Technical Annexes to the MLA;
- The Inter-Governmental Commission (IGC);
- The Permanent Secretariat (PS);

During its initial phase the Project's Team commenced to establish Legal Working Groups at national and multilateral levels. This should become on the main tools to achieve the Project's goals.

(3) There are several developments relevant to the Project's context, which need to be taken into consideration for further development of the project:

- Possible enhancement of MLA

Greece

The Greek government is currently considering its accession to the MLA. The positive outcome would assign a different dimension to the TRACECA network. The Contractor is being involved in the relative correspondence between the PS, the Government of Greece, the CEU and the Embassy of Greece in the Republic of Azerbaijan, upon request of the PS IGC TRACECA, especially because there are legal matters pertaining to "acquis communautaire", which could be infringed by the accession of Greece. To this effect, the Ministry of Foreign Affairs of Greece

⁴ See **Annex 5** for the relevant updated Profile of the TRACECA Region

considers that according to EU legislation, nothing prevents the accession, if the accession is done under the reservation of “aquis communautaire”.

Iran

On 28 November 2002 in the Permanent Secretariat, the meeting between Mr. A Tagirov, the General Secretary of the PS, Mr. Z Kvachantiradze, the Executive Secretary of the PS, Mr. M Graille, the Supervisor of the PS, Mr. V Turdzeladze, the Project Coordinator and Mr. F Kusedgi, the Advisor to the Ambassador of Iran in Azerbaijan, was held. The meeting discussed the issue of accession of the Republic of Iran to the MLA. The meeting discussed both internal and international procedures relevant to the accession of the Republic of Iran to MLA. As the Advisor informed the meeting and was later confirmed by the Ambassador, in the nearest future, upon the completion of the national procedures, the Ministry of Foreign Affairs of Iran will officially address the Ministry of Foreign Affairs of Azerbaijan (the Official Depository) with and official application from Iran to enter the Basic Multilateral Agreement on Transit Transport for the development of the Europe-the Caucasus-Asia Transit Corridor (TRACECA). Mr. V Turdzeladze attended the meeting under request of the PS management (GS and Supervisor).

Afghanistan

Under the request of the PS and its Supervisor, Mr. V Turdzeladze, the Project's Coordinator was actively involved in negotiation with officials of the Afghanistan Government, which was initiated by the Ambassador of Georgia in Turkmenistan and Afghanistan on assignment of the President of Georgia (the letter of the President of Georgia, E. Shevardnadze to the Head of the Interim Administration of Afghanistan, see **Annex 6**), on the accession of Afghanistan to the MLA. In the end of December 2002 the Project Coordinator handed over to Mr. Chkheidze, the Ambassador of Georgia the documents relevant to the TRACECA concept and its future development. On December 27, 2002, Mr. Abdullo Abdullo (the Minister of Foreign Affairs of Afghanistan) met the Ambassador of Georgia, who informed the Interim Administration of Afghanistan on the relevant developments, with special emphasis to the significance of TRACECA for the regional cooperation. Mr. Abdullo Abdullo expressed his positive attitude to accession of his country to TRACECA. The meeting resembled into decision to commence consultations on this subject. As agreed by the parties, the meeting was supposed to take place in Kabul, in the end of February 2003. The PS IGC TRACECA, taking into account the importance and its legal implications of the issue, requested the participation of the representatives of the Project, subject to CEU approval.

(4) The Project Context is extremely appropriate for the future development of TRACECA as it implies better economic opportunities for the beneficiary countries and better investment possibilities for both foreign and local potential investors. This implies development of arbitration, conciliation and mediation methods of disputes settlement, qualified risk management, and increased security of commercial activities all over the region.

2.3. Points of Focus

The Project has in fact encountered (1) problems foreseen in ToR and (2) those not foreseen.

(1) The major scope of problems perceived by the Contractor, remains to be the same as identified by the ToR:

Since the ToR was written, the countries have significantly progressed in ratification of the international conventions recommended by the UN ECE, however, their efficient implementation is still hampered by:

- lack of the necessary state monitoring or enforcement structures and lack of investment in the associated testing or control equipment;
- failure to train public officials concerning their new obligations under international law;
- failure to inform traders and carriers about their new rights and obligations;
- lack of ministerial or parliamentary time to adjust national legal frameworks by modification of relevant normative acts and decrees;
- lack of adequate facilities for commercial insurance of all kinds

- insufficient understanding by public officials concerning international transit transport legislation
- international transit conventions signed but not ratified for years

The acknowledgment of these problems by the beneficiary countries would already be a significant step towards establishment of a common legal basis.

During the Inception phase, the Contractor perceived the need for its immediate involvement in the establishment of the National Working Groups. The problem was logistics of the trips to be undertaken by the Project's team to the territories with scarcely arranged flight/other travel mode connections, within the squeezed span of time.

Another problem discovered during the Inception phase concerned lack of strong commitment of some of the parties to cooperate. Upon the project start, the Contractor was immediately involved in drafting new Rules of Procedures of the IGC TRACECA and the Statute of the Permanent Secretariat of the IGC TRACECA. During the January 2003 Working Group session of legal experts from the Ministries of Foreign Affairs of the Parties convened to agree upon the newly elaborated documents, certain serious reservations were put forward by some of the Parties.

The Contractor opines that the given fact may protract some of the negotiation processes and bilateral consultations with the Parties.

Although it is not seen to be a problem, but more a Project's need, the Contractor thought fit to restructure the Project's team of both international and local experts. This was already mentioned previously and will be explained later in the Report.

2.4. Situation of the local Counterparts

The creation of a common legal basis takes as its pre-condition that in each country the decision-making authority must be identified and actively involved. These are the President's Offices, Ministries of Justice, Ministries of Foreign Affairs, Ministries of Transport, State owned companies that operate the transport infrastructure, Customs Authorities, Permanent Secretariat, National Secretaries and any other authorities that can be identified in each country, which take part in the decision making process.

It is pursued by the Project that the adoption of relevant legislation is combined with certain "sensitive" economic and financial decisions, seen as national priorities by the partner states, can only be taken at the highest political level. Moreover, the Contractor has taken into account the fact that in some TRACECA countries decisions can only be taken by few key persons, otherwise the decision-making process may be impeded by rather time-consuming bureaucratic procedures. Therefore, the first key issue for the Contractor is to identify the appropriate level to be addressed, so that no time is wasted and the political decision-making process is swiftly transformed into appropriate legal instrument.

2.5. Target Groups

(1) The direct target groups are Ministries of Transport and/or Cabinet of Ministers of beneficiary countries/President's Offices.

(2) The Project also aims at non-direct project target groups, which are transporters, freights forwarders, shippers and other transport operators.

The country case studies were undertaken during the Inception Phase, which discovered that transport sector of most of the beneficiary states was exposed to significant restructuring, which could help the Contractor to bring competition to the transport sector of TRACECA states, as a

conducive to the establishment of beneficiary free-market practices. Most of the relevant process were activated/supported/funded by the international funding institutions like ADB, EBRD, World Bank and have been mostly completed or by now.

2.6. Project Partners/Intended Project Beneficiaries

- National Secretaries and TRACECA National Commissions of beneficiary countries
- Permanent Secretariat TRACECA

The Permanent Secretariat understands the important inter-active role of the of the TRACECA National Secretaries who have a pivotal function in the Legal Working Groups activities and a coordinating function for all Working Groups and meetings. It is vital that the National Secretaries are consulted and involved in all Project activities and information gathering.

It is assumed that in the majority of states the Beneficiary will be the TRACECA National Commission, unless an alternative Beneficiary is designated by the Government of a beneficiary state.

The National Commissions of TRACECA and the Ministries of Transport are augmenting their National and International status as the TRACECA development process continues. They are making substantial efforts to bring related entities in-line with TRACECA and introduce realistic world standards and practices. Following the TRACECA Working Group Meeting and 'Kick Off' presentations, the Contractor is of the opinion that there is a mutual understanding of the Project and its aims.

The Contractor worked in very close cooperation with the PS IGC TRACECA Experts on the elaboration of the Draft Rules of Procedures of the IGC TRACECA and the Statute of the Permanent Secretariat of the IGC TRACECA.

3. PROJECT PLANNING

3.1. Introduction

The Project Planning and Project Methodology has been based on the ToR, the Technical Proposal and adjusted, during the Inception Phase, after the evaluation by the Project Experts and in depth discussions with ongoing TRACECA Projects and Project Beneficiaries. It was found that the Consultants original proposed methodology was mostly valid for the anticipated Activities and Tasks.

An insignificant tuning was required to compensate for organizational restructuring, logistics of travels, level of cooperation with partner states.

It is noticed during the inception period that the situation in nearly all the beneficiary states and their international relations are rapidly evolving. In order for this project to meet its main objectives, the Contractor's approach to planning employed a considerable built-in flexibility component, which allows a "change of tune", whenever required.

3.2. Relations and coordination with other Projects

In terms of interaction and continuity, particular attention was paid by the Contractor to close co-operation with the TRACECA Permanent Secretariat. Particularly, the Project coordinates its phased activities planning with the TRACECA Coordination Team, whose capacity is also the Supervisor to the Permanent Secretariat IGC TRACECA. This significantly facilitates the Project's tuning with regards to the overall PS TRACECA activities.

The Project is day-to-day cooperating with two other on-going projects Harmonization of Border Crossing Procedures and Unification of Transit Fees and Tariffs⁵. The projects have some of their activities which are coherent with the Project's policy for establishment of the common legal basis in the TRACECA area. These two projects have significantly contributed in the institutional and trade domains of the overall Project's activities. Taking this into account, the Project will concentrate on the legal and transport aspects of its tasks. Besides, particular attention is paid and concerted actions are taken by the project management to avoid overlapping of the three projects activities.

During the inception phase a large span of the experts' time was dedicated to study the results obtained in other on-going and previous TACIS and TACIS TRACECA institutional or legal projects. The rapid exchange and circulation of relevant information is thus highly prioritised throughout the project.

The materials related to the following projects were exposed to thorough scrutiny:

- International Road Transport and Transit Facilitation (IRU)
- Transport Legal and Regulatory Framework
- Transit Facilitation Project for Kazakhstan
- Support to the development of a transit corridor policy in the Republic of Kazakhstan
- TRACECA: Institutional strengthening and management training for transport in NIS countries
- TRACECA Trade Facilitation
- Road Transport Services (Caucasus) / Road Transport Services (Central Asia)
- Harmonization of Border Crossing Procedures
- Unified Policy on Transit Fees and Tariffs

The Contractor pursued close contact with those projects in the beneficiary states to make the best use of accumulated TRACECA experience and, just as importantly, to avoid duplication of efforts.

⁵ The Projects commenced in November 2001 and will end up in December 2003.

The Project made use of the contacts established by the Project Coordinator, Mr. V Turdzeladze in his former capacity of the Senior Expert of the Team of Technical Experts of the Permanent Secretariat IGC TRACECA.

There is currently an ongoing process of elaborating efficient form of cooperation with World Bank, using its created Pro-Committee in Armenia, Azerbaijan and Georgia (Trade and Transport Facilitation Committee). It is a vivid intention of the PS IGC TRACECA and the World Banks to sign a Memorandum of Understanding and possible fusion of ProCommittee Meeting and Working Groups arranged under the Trade Facilitation concept.

It is the intention of the Project to work in close contact with Tacis TRACECA, Europa House, WB, EBRD, E.I.B., NIB, NDF, BSECDB, IFC, IDA, IRU, ADB, UN ESCAP, MIGA, other IFI's and NGO's and other projects related to facilitation of legal basis for transit transport to enhance the potential of the TRACECA Corridor.

3.3. Project Objectives

The overall Project objective is to organize legal basis for transit traffic in each TRACECA state. This, in the Contractor's opinion will facilitate development of economic relations, trade communication in the countries of TRACECA transport area.

In this regard, the specific Project's objectives are:

- (1) devising of a common legal framework for multimodal carriage of goods and cargo insurance;
- (2) harmonization of national legislation with major international principles and requirements relevant to transit traffic;
- (3) facilitation of accession to, ratification and efficient implementation of the priority international conventions;
- (4) harmonization of legal and regulatory framework in the field of transport and customs regulation, incorporating international standards and requirements;
- (5) elaboration of the TRACECA Visa as conceived in the Final resolution during the 2nd Conference (Annual Meeting) of the Intergovernmental Commission "TRACECA" in Tashkent, April 25, 2002 (see **Annex 7**).
- (6) establishment of close cooperation with other Tacis TRACECA Projects particularly Harmonization of Border Crossing Procedures and Unified Policy on Transit Fees and Tariffs

3.4. Project Approach

While the goals of the project are clear-cut and well defined, they can only be met with a step-by-step approach and through the persistent pursuit of consensus among the TRACECA states. This approach reflected on the methodology selected for the achievement of the project objectives and, in particular, on the identification of a path "Protocol(s) pertaining to amendment/additions to the MLA", "Technical Annex to the MLA" alternatively to drafting a uniform model law on multi-modal transit.

The Project's Terms of Reference provides for an alternative approach to the objective of unification of the legal regime for the multimodal movement of containers and creation of uniform relationship between operators, freight forwarders and their customers.

As mentioned before, two alternative paths are given by the Project's ToR. These include (1) devising a uniform a model law on multi-modal transit to promote enactment of relevant common legislation in each TRACECA country; and (2) promoting the adoption of Protocol(s), which shall

enhance the global objective of harmonisation and ultimately shall provide a safe and complete environment for transport transit.

During the inception phase of the project all the relevant factors have been carefully weighted in close co-operation with representatives of the TRACECA countries and the Legal Working Groups (National LWG and Multilateral LWG), established by the IGC, and the following findings resembled into decision to promote the adoption of Protocol(s) for amendments/additions to the MLA, subject to appropriate multilateral consideration.

Firstly, the experience of the TACIS National Project “Support to the Development of a Transit corridor policy in the Republic of Kazakhstan, which, due to objective reasons, has failed to enact a uniform model transit law on transportation, even within one single country, was duly taken into consideration. This task has obviously stumbled upon the objections of partner states for reasons relating to national priorities.

Secondly, in view of the increasing competition of transit transport corridors in the subject region, the long-during procedure of consideration, review and further enactment of a relevant law, it would be more efficient to harmonize and simplify transit transport legal regime through the introduction of the above Protocol(s) subject to consensus of MLA Parties.

The material must be compatible with:

- Codes of Practice - devised by the TRACECA Legal Framework Project
- UNCTAD/ICC Rules (UN Conference on Trade and Development)/ International Chamber of Commerce;
- UN-ECE International Transport Agreements;
- FIATA (International Federation of Forwarders Associations) – FBL (FIATA Bills of Lading).

However, the Contractor remains at the disposal of the Parties should they put a request for assistance in drafting a multi-modal transport transit law.

Given the main objective of the project, namely further developing the TRACECA transport area, the Contractor is of the view that three main components should be considered of high-priority towards the achievement of that goal:

- Enhancing transparency and efficiency resulting from it;
- Consolidation of competition and free-market practices;
- Bringing the TRACECA partner states closer to relevant EU transport policies

The creation of a common legal basis through entering into international agreements or adhering to other existing international agreements (such as those elaborated by the UN ECE⁶, adoption of Protocol(s) on amendment, additions or annexes to the MLA implies the co-ordination and co-operation of decision-makers. This crucial objective will be met by means of concerted actions addressing five different levels simultaneously:

- a) Supranational bodies and organs (IGC, PS, LWG);
- b) President’s Office, National Governments and Parliaments;
- c) National Commissions of TRACECA;
- d) Local Administrations;
- e) Local Transport Industry (operators, freight forwarders, shippers, etc.).

Given that decisions within the IGC are only adopted by consensus, the Contractor attaches great significance to the need to seek efficient co-ordination of all the key players participating in the project, either directly or indirectly, as well as close co-operation with each one of them. Furthermore, the Contractor has taken into account several “extra-legal factors” of political, economic, technical and even cultural nature, so that differences between the beneficiary states are

⁶ United Nations Economic Commission for Europe

to be overcome and the adoption of a common legal framework on transit transportation is arrived at.

Flexibility and sustainability factors described in the Technical proposal have been fully employed during the Inception Phase.

The Project's experts took it as a prioritized action to establish permanent contacts with the legal experts representing the Parties, through the set-up of the local national Legal Working Groups (LWGs). This effort will have generated enough links between the participants of the beneficiary states to enable them to continue a creative dialogue among themselves (ideally, without major external assistance), through the build-up of mutual trust and “a consensus culture” between the states concerned.

In the course of activities of the inception phase the Contractor was persistently addressing PS IGC TRACECA, the National Commissions and the National Secretaries of IGC TRACECA to make them perceive their increased role for sustainable development and implementation of the legal concept, commenced by the Project.

3.5. Project Outputs or Intended Results

At this stage it became clear that the Project will operate to obtain the following specific outputs:

I. Institutional:

1) Legal Working Groups in the framework of Trade Facilitation Concept:

- National LWG
- Multilateral LWG

Following completion of the project the LWG should remain in place with the dual task and status of continuing input to the work of the IGC and Permanent Secretariat and constituting the LWG of the National Commissions of IGC TRACECA.

2) Institutional Strengthening of the Permanent Secretariat IGC TRACECA by adoption of new Rules of Procedure of the IGC TRACECA and Statutes of the Permanent Secretariat IGC TRACECA

II. Legal:

1) Bilateral and Multilateral Agreements collected and changes recommended

It is important to note that this task does not relate to international UN-ECE, ESCAP and other conventions but to:

- local multilateral agreements on road, rail, such as the SMGS and Sarakhs Agreement of 1996, and waterborne transport by which more than two states agree on some common provisions in relation to their transit traffic;
- bilateral agreements on road transport under which annual quotas are agreed for trucks to enter each others' country subject to TRACECA permits;
- multilateral agreements under which two and more railway administrations agree the terms for wagon exchange onward carriage etc. with the railway administration of another state;
- bilateral agreements under which one state agrees with another the terms on which their respective shipping fleets may have access to each other's territorial waters and ports.

2) Recommended Conventions ratified and implementation facilitated

This objective covers acts listed in the Article 2 paragraph 1 of the MLA Technical Annex on Customs and Documentation Procedures⁷:

- Customs Convention on the International Transport of Goods under cover of TIR Carnets, 1975.
- International Convention on the Harmonisation of Frontier Controls on Goods, 1982.
- Customs Convention on Containers, 1972,

and also the Contractor will propose (through the LWGs and NSs) to the National Commissions the modification of the above Article 2 paragraph 1 in order to allow for the accession and implementation of the following:

- The Protocol of Amendment to the Kyoto Convention, June 1999 (see **Annex 8** recommendations on WCO);
- Convention on International Multimodal Transport of Good – Geneva 1980.

Recognizing that various impediments exist, preventing efficient implementation each recommended convention ratified, the facilities of the Project will be made available for:

- reviewing and reporting on the difficulties being experienced with implementation in each newly adhering state;
- helping counterparts to overcome any problems which can be resolved through technical assistance;
- Investigating the opportunities for wider availability of commercial insurance in respect of cargoes and carrier liability;
- preparing a list of recommendations for future action especially where inadequate investment in infrastructure or manpower is impeding implementation.

3) Guide to International Conventions

The Contractor will produce a Guide to International Conventions and Agreements for transport operators and traders. This will take as its basis the Guide to Conventions produced by the Legal and Regulatory Framework project. This guide will be amplified by:

- a detailed description of the Convention on a Common Transit Procedure of 20.5.87;
- an explanatory section on the MLA and its annexes;
- an explanatory section on international permit and quota systems in road transport.

4) Protocol(s) pertaining to additions/amendments or Technical Annex to the MLA on Transit Transport to the MLA

It is envisaged that the promotion of the adoption of amendments/additions and Technical Annex to the MLA will be elaborated in close cooperation with the Permanent Secretariat, the NLWG and MLWG established by the IGC, and in case of consensus will be discussed at the Yerevan IGC meeting, which will take place in September 2003.

5) Harmonized technical vehicle standards.

The Contractor will produce, in close co-operation with the counterparts, a draft of a new Technical Annex or additions to the existing technical annex on road transportation of the MLA on internationally recognized technical standards for road freight vehicle and their use.

6) TRACECA permit and quota system

Having catalogued and analyzed existing bilateral and multilateral transport agreements as set out in task 2.2 above, the Contractor, in close co-operation with the Permanent Secretariat and NLWG will

⁷ This remains valid for countries which have not ratified/acceded to the conventions listed, whilst, for instance TIR Convention was ratified by all present TRACECA member-states. See **Annex 16** for UN ECE Agreements and Conventions Matrix as of October 15, 2002.

assess the feasibility of introducing a regional system of road haulage permits and quotas to replace the existing bilateral agreements. This was strongly recommended by the Legal and Regulatory Framework project but could not find consensus in the working groups which prepared the MLA.

7) Protocol(s) to the MLA on the Settlement of Disputes

This pursues the objectives to develop mediation, conciliation and arbitration methods of settlement of disputes arising from commercial operations in the transport sector.

8) On request of the January 2003 Working Group, elaboration of concept paper related to the potential structure that could significantly cover non-calculated risks.

The following deliverables will be provided:

1) Reports: Inception Report, Progress Reports (3), Draft Final and Final Report, (Reports/Guides to be available in Russian/English)

2) Institutional: Legal Working Groups (National and Multilateral).

3.6. Planning for the Project Duration

TRACECA National Commissions

The Contractor's experts informed the TRACECA National Commissions on the objectives of the project, and will provide the follow-up⁸. The Contractor through PS and National Secretaries will keep the TRACECA National Commissions constantly informed on the progress of the contract's implementation through the presentation of reports at regular intervals.

Setting-up local Legal Working Groups

The Contractor commenced to set up national LWG in each one of the participating countries. Conceptual approach and specific steps will be described in Item 3.8 below.

Setting up local Contractor's offices

The Contractor established, staffed and equipped Head office in Baku, a sub-office in Tbilisi and a regional office in Tashkent and appointed all the local experts (lawyer and transport specialist). Within the next project phase an office will be set up in Bucharest similarly staffed and equipped.

Provision of advice and assistance to the PS IGC TRACECA

The Contractor is providing and will continue provision of advice and assistance to the TRACECA Permanent Secretariat on the development of the TRACECA MLA framework⁹, so as to create favourable conditions for the successful implementation of the project. Refer to Item 3.8.

The Contractor, through NLWGs will assist in the identification of violations (1) of the provisions of multilateral agreements, the Basic Multilateral Agreement in first turn, (2) international agreements and conventions; (3) decisions of the IGC

The Contractor will continue to provide advice and assistance to the TRACECA Permanent Secretariat on the development of the TRACECA multilateral framework, so as to create favourable conditions for the successful implementation of the Project.

⁸ Reference is made to the Letter of the General Secretary PS IGC TRACECA to the National Secretaries of the Parties (see **Annex 9**)

⁹ Reference is made to particular task described below, i.e. drafting of the Rules of Procedure of the IGC TRACECA and Statutes of the PS IGC TRACECA and relevant activities.

Preparing a LWG's meeting at multilateral level

The Contractor assisted the PS to prepare a meeting of the National Secretaries and Lawyer, held in Baku 23-24 January 2003¹⁰. The Contractor will arrange for regular meetings of the newly established NLWGs under the Trade Facilitation Concept. Please refer to 3.8 for concept description and report on relevant activities.

Collection of information on domestic laws

In co-operation with the national LWGs and the local experts, the Contractor will collect all the applicable domestic laws and regulations governing transit transportation and international trade. The Contractor through NS will thus collect bodies of national legislation, one for each participating country, in order to familiarise himself with the relevant law applicable in each country.

The initial steps taken during the reporting period are reflected in Item 3.8.

Collection of information on regional treaties

In co-operation with the national LWGs and the local experts, the Contractor will produce a collection of legislation covering all the regional bilateral and multilateral treaties in the field of transit transportation, which are in force in all participating countries.

Identification of the appropriate international treaties

The Contractor will identify the appropriate international treaties in the field of transportation and trade, such as those elaborated by the UN ECE, to which the participating countries will be advised to adhere. Based on such identification, the Contractor will start constituting and annotating the Legal Guide to International Agreements.

Familiarisation with current operational situation per country

The Contractor will identify the key operational issues in the field of multimodal transportation and transit in each participating country, so as to facilitate the emergence of a common understanding and consensus, taking into consideration the diversity of the existing situation in individual partner states.

In this context, all previous and relevant TRACECA projects will be reviewed and their recommendations will be taken on board to a large extent.

Drawing-up a Technical Annex on vehicle technical standards

The Contractor will produce, in close co-operation with the counterparts, a draft of a new Technical Annex or addendum to the Technical Annex to the MLA on Road Transportation on internationally recognised technical standards for road freight vehicle and their use.

Presenting, analysing and negotiating the legal instruments to the national LWGs

The Contractor will present, analyze and negotiate – mainly within the national LWGs – the main legal instruments. To this effect, the Contractor envisages a permanent dialogue by means of holding meetings of the LWG in each participating country at regular intervals.

The Contractor will finalise negotiations within the national LWGs of the main legal instruments (model law/ Protocol(s) pertaining to additions, amendments or annexes to the MLA). The Contractor will present the final drafts to the MLWG established by the IGC.

¹⁰ See **Annex 10** for the Agenda of the Meeting

Elaborating the Legal Guide to International Agreements

The Contractor will produce an annotated Legal Guide to the International Agreements, to which the participating countries will be advised to adhere. The Contractor will present and analyse this Guide to the National Commissions and the national LWGs. On this occasion, the Contractor will provide training to the members of the TRACECA National Commissions and of the national LWGs.

Promoting ratification of international transport and trade treaties

In close co-operation with the national LWGs, the Contractor will promote at national level the ratification of the International Agreements, which he will have identified as necessary to be ratified in the Legal Guide to International Agreements.

Multilateral road transit permit system feasibility/TRACECA Permit System

The background was laid by the Working Group of the National Secretaries on legal aspects held in June 2001 in the PS IGC TRACECA, which raised the issue of feasibility study for International Transit Permit System for TRACECA countries. Consequently, following the request of the General Secretary of Permanent Secretariat, this issue was included into the Project's ToR.

In close co-operation with the PS and the national LWGs, the Contractor will assess the feasibility of introducing a regional system of road haulage permits (e.g. TRACECA permit) and quotas to replace the existing bilateral and multilateral regional agreements.

The Contractor will present alternative options, which may be introduced at multilateral level as Technical Annex to the MLA on Road Transport at some future time, subject to the approval of the IGC. Road transit permit system should also exploit the usage of multimodal transit transport in particular using railway and ships. The approach implemented in Central European Countries can be very useful for this purpose.

At the initial stage of the Project, it is envisaged that the matter will be studied through two aspects: equivalent ECMT permit systems and bilateral agreements.

This problem was also incorporated into the List of priority tasks for the National Working Groups.

It is planned that, upon completion of the detailed studies at national level, with consensus of the Parties of the multilateral Working Groups, the issue will be considered during the next IGC TRACECA Annual Meeting.

Promoting of adoption of Protocol(s) pertaining to additions/amendments and Technical Annexes to the MLA

It is envisaged that the adoption of above Protocol(s) to the MLA at the appropriate multilateral level, will be elaborated in close cooperation with the Permanent Secretariat and the NLWG and MLWG established by the IGC, and will be presented at the Yerevan IGC meeting, which will take place in September 2003.

Promoting ratification and implementation of international transport and trade treaties

In close co-operation with the national LWGs, the Contractor will promote at national level the ratification and implementation of the International Agreements, which he will have identified as necessary to be ratified in the Legal Guide to International Agreements.

3.7. Inception Phase Performance

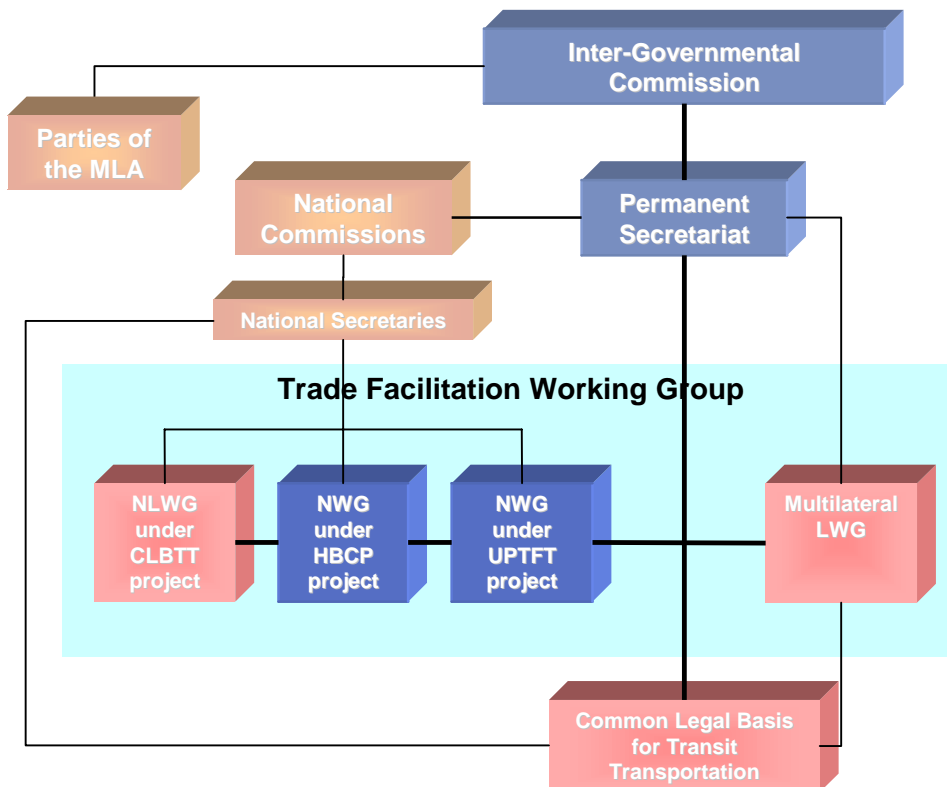
The planned¹¹ and executed activities of the Inception phase follow:

1. TRACECA National Commissions

The Contractor recognizes the fact that TRACECA National Commissions have already been set up in all the participating countries, but in certain cases are functioning only nominally.

The Contractor has the following structural approach to the promotion of awareness of the TRACECA National Commissions of the Project's objectives:

The fact is that the TRACECA National Commissions usually bring together a large number of members. Consequently, it will not always be easy to convene such Commissions at regular intervals. For this reason, the Contractor will ensure that each national LWG is fully authorized by the respective TRACECA National Commission. The Contractor is taking all necessary steps to ensure that each National Secretary and TRACECA National Commission is constantly informed on the progress of the works performed within the national LWG.



The Trade Facilitation Concept forms a platform for overall project activities. The concept components are seen at both national and multilateral levels.

The concept is maintained by the specific activities of three current projects of Common Legal Basis for Transit Transportation, Harmonization of Border Crossing Procedures and Unification of Transit Fees and Tariffs. These three projects were designed and recommended by the consensus of the TRACECA member states as the ones to play a key role in development of a solid institutional structure of TRACECA for the future.

¹¹ See Overall Plan of Operations

Therefore, the project's involvement in establishing Working Groups, under the Chairmanship of the National Secretaries at the national level and orienting those current Customs Working Groups (CWG's) towards becoming Trade Facilitation Working Groups is considered of paramount importance.

This would mean that there would be one Chairman (National Secretary) but three distinct but interfacing groups focusing on different themes:

- Common Legal Basis for Transit Transportation
- Harmonization of Border Crossing Procedures
- Unification of Tariffs and Transit Fees

The concept is strategically important to maintain sustainable project work during the projects duration and also to extend it beyond their completion within the Working Groups.

The existing Customs Working Groups, Working Groups established under Harmonization of Border Crossing Procedures and Unified Policy on Transit Fees and Tariffs and the planned Legal Working Groups under Common Legal Basis for Transit Transportation will be officially addressed with request to change the official title to Trade Facilitation Working Group.

There was already an announcement of the proposed direction at the Roads Working Group held in Baku by the Unification of Transit Fees and Tariffs Project and this theme was also introduced into the Customs Working Group Documents. The TRACECA Coordination Team is preparing a 'Policy Discussion Paper' for circulation.

To assign a multilateral dimension to the Trade Facilitation Concept the Project will cooperate closely with Permanent Secretariat of IGC TRACECA. It has become increasingly obvious that the role of IGC and the National Secretaries is vital to the sustainability of the TRACECA structure when related to current and future Trade Facilitation. The project will assign particular tasks to the National Secretaries, which assume their immediate involvement, dedicating their time and resources to maximum possible extent to the post of the National Secretary. Therefore, the perceived future role of the National Secretaries will have much wider scope and broader responsibilities.

2. Setting-up local Legal Working Groups

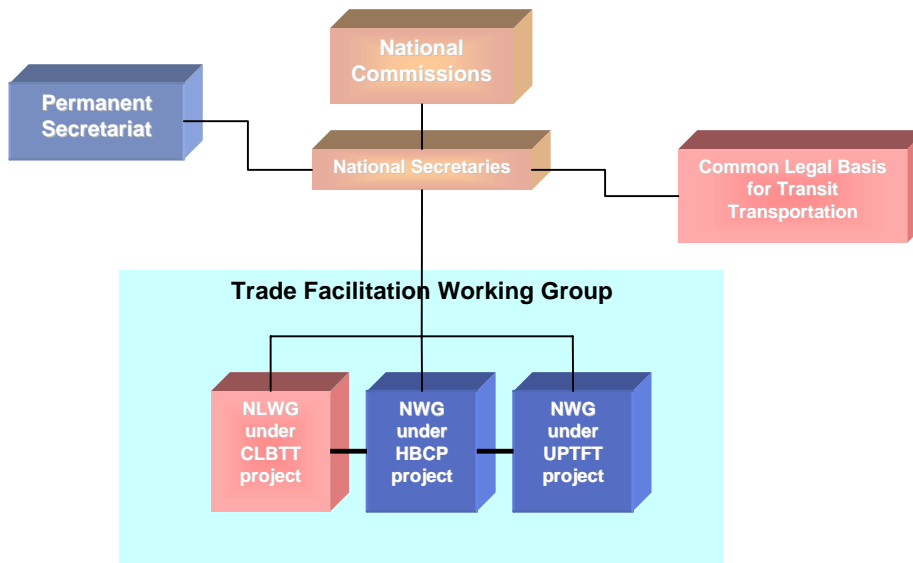
As mentioned earlier, the Contractor, in close co-operation with the Permanent Secretariat in Baku through National Secretaries, will set up a National Legal Working Group (NLWG) attached to each of the National Commissions. The Contractor will ensure representation where possible from the Presidential Apparatus and also from the Ministry of Foreign Affairs relevant departments, from the Ministry of Transport or equivalents, from the Ministry of Foreign Economic Relations or equivalents, from the Ministry of Justice and from Freight Forwarding Associations and National Road Transport Associations. The NLWG should meet at approximately monthly intervals and their members should be deeply involved in all project activities.

The NLWG shall identify existing local multilateral and bilateral transport transit agreements and analyse their impact on the MLA so that the Contractor shall recommend accordingly the PS for any remedial action that need to be taken through IGC. At this stage, a table containing the list of international UN-ECE Transport Agreements ratified or signed by TRACECA Members (status as of October 2002) has already been compiled.

Following completion of the project, the NLWG should remain in place with the dual task and status of continuing input to the work of the IGC and Permanent Secretariat, and constituting the LWG of the TRACECA National Commissions.

The main objectives of the NLWG will be to:

- monitor current legislation in transit transportation;
- identify deviations from the international agreements in force;
- promotion of compliance of the national legislation with provisions of international agreements and conventions
- facilitate accession to the existing conventions;
- for increased competitiveness of the TRACECA transit corridor, develop recommendations for simplification of the existing regulations applicable to transit transportation with subsequent addressing to National commissions and Permanent Secretariat within the framework of the Trade Facilitation Working Group.



3. Setting up local Contractor's offices

During the Inception phase two regional offices in Tashkent and Baku and a sub-office in Tbilisi were established, equipped, furnished and staffed. Local junior and senior experts for all the offices had been approved.

4. Providing advice and assistance to the PS

A) The expertise of the Contractor's Team was made available to the PS IGC TRACECA to elaborate the Rules of Procedure of the IGC TRACECA and the Statute of the Permanent Secretariat. This task was followed by the relevant translation services of the Project's Team and communication with the Parties for the comments, consequently considered by the experts involved, upon the submitted drafts.

B) Upon the request of the PS, the Project's Coordinator, the Team Leader and experts were involved in a series of discussions mentioned earlier in the Report¹².

In addition to that, considering that starting from the mid 2001 the Permanent Secretariat is elaborating TRACECA Visa Project, which provides for simplification of procedures applicable to the passage of freights and persons, accompanying freights and persons involved in the technology of transportation process, and, that this issue was duly considered with relevant decisions made upon it at the level of Working Groups of National Secretaries and IGC TRACECA meetings (see **Annex 7** for TRACECA Visa) under request of the Permanent Secretariat and the Project's Coordinator, the Project's experts have joined elaboration, pursuing the aim of more efficient implementation of new technical annexes on SMGS and TRACECA Visa. This issue was included into the list of priority

¹² See "Greece", "Iran", "Afghanistan" in Item 2.2

issues to be discussed at the meetings of the National Commissions and subsequent meetings of the National Secretaries and IGC TRACECA.

C) The Project used its facilities to facilitate implementation of the IGC decisions, particularly adopted during the II Annual Conference in Tashkent¹³.

5. Preparing a Legal Working Group Meeting at Multilateral Level

As provided in the Final Resolutions of the Second IGC TRACECA Conference, Item 7 thereof, Working Group of National Secretaries and Legal Experts was held in Baku on January 23-24, 2003 in the Permanent Secretariat IGC TRACECA, to elaborate the Rules of Procedures of the IGC TRACECA and Statutes of the Permanent Secretariat of IGC TRACECA to be finally adopted by the next IGC Conference.

In the course of this recent Meeting, the Trade Facilitation Concept¹⁴ jointly developed by the experts of Harmonization of Border Crossing Procedures (see **Annex 11**), Unification of Transit Fees and Tariffs and Common Legal Basis for Transit Transportation Projects was presented to all who attended the WG Meeting¹⁵. (Documents of this Meeting were subsequently sent to those who were not present).

The legal experts, representing Ministries of Foreign Affairs of the states-participants to MLA, have elaborated further the drafts of the Rules of Procedures (see **Annex 12**) of the IGC TRACECA and Statutes of the Permanent Secretariat (see **Annex 13**) of IGC TRACECA submitted by the PS. See Minutes of Meeting, the Session of Legal Experts (see **Annex 14**). For results of the Working Group (see **Annex 15**), Decisions and Recommendations of the WG.

6. Collection of information on domestic laws / Collection of information on regional treaties

To fulfil this task, the Project, through the Permanent Secretariat, addressed the National Commissions and charged them with following immediate and permanent tasks:

- a. Monitoring of current domestic legislation relevant to the transit transportation
- b. Identification of violations of the MLA and international conventions in force
- c. Identification of the cases and reasons for non-execution of the IGC decisions
- d. Collection and analysis of the bilateral and regional agreements relevant to transit transportation
- e. Development of recommendations for simplification of the existing regulations related to transit transportation
- f. Development of recommendations for simplification of border-crossing procedures. Particular emphasis should be given to the provision of sufficient administrative control preventing illicit trafficking of goods.
- g. Promotion of legislative initiatives for bringing the national legislation into compliance with the International Conventions, which your respective countries are being parties to.
- h. Promotion of compliance of the domestic legislation to the provisions of the MLA.

7. Identification of appropriate international treaties

The Contractor is examining the conventions listed in the **Annex 16**. In particular, the Contractor is performing in-depth analysis of the Protocol of amendments to Kyoto Convention (June 1999) and Convention on International Multimodal Transport of Goods, 1980.

¹³ See Letter of the General Secretary IGC TRACECA to the National Secretaries

¹⁴ See Item on TRACECA National Commissions

¹⁵ See **Annex 10** for Agenda of the Meeting

3.8. Project Planning for the Next Period

The next reporting period will concentrate on the following activities:

1. Providing advice and assistance to the PS
2. Establishment of NLWGs
3. Preparing Legal Working Group Meetings at Multilateral Level
4. Collection of information on domestic laws
5. Collection of information on regional treaties
6. Identification of appropriate international treaties
7. Familiarisation with current operational situation per country

3.9. Constraints, Risks and Assumptions

The Project has had a very constructive and cooperative start from all Beneficiaries and Partners and it is not perceived that there will be any significant change in this attitude. However, the Contractor identified the following areas that could become Constraints, Risks or Assumptions to the progress and success of the Project.

Most risks referred to in section 3.2 of the T.o.R. are of political substance, such as possible revival of frozen conflicts (e.g. in Transdnistria, Nagorno Karabakh, Abkhazia, etc.) or even new conflicts. A sound judgment should not preclude such risks as inconceivable. As a result, the Contractor does take into account likely risks either in certain participating states or at a multilateral IGC level, attributable to reticence or delays in adopting “politics-driven decisions”, which will have to be properly handled for the successful implementation of the project.

Nor should one overlook the fact that Turkmenistan is not a signatory of the MLA yet. As mentioned above, this project depends to a great extent on the political decision-making process in each of the participating countries and on the co-operation of competent local authorities throughout the entire list of activities. In any case, the successful implementation of this project is largely seen as a function of the commitment of the beneficiary States to the project objectives.

The legislative process in the beneficiary countries, generally speaking, is not yet fast enough and at times not very efficient. Co-operation between agencies and state organs involved (e.g. the Parliament, the Government, local administration, competent committees, etc.) must be developed further, but in a consistent and considerate way. Last but not least, delays and hold-ups due to bureaucratic weaknesses, when encountered, should be limited to a minimum through initiative of PS IGC TRACECA (TRACECA Visa, Hotline). The Contractor will particularly focus on these aspects of legislation generation in order to contribute to the “streamlining” of related procedures.

There are possible points of friction between the beneficiary states, particularly between those that share common frontiers. This is precisely why the proposed project is based on the underlying assumption that TRACECA states should be assisted in prioritising long-term national interests over short-term differences with other countries. It is estimated that the active presence of the Contractor’s experts in the TRACECA partner states will be conducive to an effective understanding of the need for a fully operational TRACECA corridor by:

- Properly and convincingly arguing the tangible benefits to be drawn from lower barriers for multi-modal transit transport;
- Providing both information and practical advice to key players in the beneficiary countries for the promotion of the concept and the selection of appropriate means;

- Coordinating the efforts simultaneously made in all the TRACECA countries, so that the maximal effect is achieved all across the board.

The Contractor is confident that, despite some differences between certain TRACECA states, there are many appropriate “low-politics” and conflict-mediation techniques to be put forward, such as through regional co-operation, the identification of mutually beneficiary cross-border activities and other successful formulae.

The principal assumption is that the ratification of the MLA, and approval of the Contractor’s methodology, provides a sufficient mandate for the National Commission and National Secretaries in each state to resolve many issues that will arise at National level in attempting to implement more coherent regulation of international transit traffic.

All of the beneficiary countries have already created a TRACECA National Commission comprising personnel from key Government Ministries and National Freight Forwarding Associations. The TRACECA States will benefit in the long term from Trade Facilitation through the removal of legal barriers to trade. If the volume of trade increases within the same infrastructure costs, this should result in economies of scale for the traders, lower prices for the consumer and with increased volume of better managed trade there should be an increase in tax revenues.

The Contractor recognises that the principle assumption is that the IGC, National Secretaries and the National Commissions are indeed in such a position of influence that is sufficient to enable them to promote and implement change in transit traffic normative and regulatory basis. The Contractor invoked the support of the IGC via the Permanent Secretariat in Baku where local impediments cannot be overcome via the TRACECA National Commissions and National Secretaries though it is assumed that these Commissions and Secretaries will themselves have all necessary authority to deal with situations which arise.

The Project poses a considerable institutional challenge, both at the national and supra-regional level. The harmonious development of the present situation is the core objective of the project. The signature and ratification of the MLA indicates that the beneficiaries are themselves placing the highest priority on achieving concrete results, which TRACECA wishes to support by this Project.

The risks identified during the inception phase are:

- Decisions are taken contrary to the Articles in the Multi-Lateral Agreement
- The Articles and Technical Annexes to the MLA are not being implemented;
- The IGC, National Commissions and National Secretaries in the framework of the MLA do not take decisions on key issues, or are not in a position to do so;
- The various agencies are not informed of the engagements of the MLA and its Technical Annexes. The Contractor is aware that this is the situation in a number of TRACECA states. However, the Contractor will ensure that such entities are made aware of these obligations within the course of the project;
- Decisions prove incapable of implementation because of insufficient financial resources in individual states. This risk is considered to be low as the funding necessary for phased implementation is not considered to be high. It is considered that the higher risk is of non-implementation due to legislation or inflexibility of the various organisations in accepting new approaches;
- Decisions are taken contrary to the provisions of the International Conventions ratified
- International Conventions ratified are not being implemented

OVERALL PLAN OF OPERATIONS

Project title : Common Legal Basis for Transit Transportation		Project number : 2002/027-526				Beneficiary countries: Armenia, Azerbaijan, Bulgaria, Georgia, Kazakhstan, Kyrgyzstan, Moldova, Romania, Tajikistan, Turkey, Turkmenistan, Ukraine, Uzbekistan.											Page : 1 of 2												
Planning period : November 2002 – November 2004		Prepared on : February 2003				EC Consultant : Lamnidis & Associates																							
Project objectives : To provide the TRACECA States with the necessary elements for organising a common legal basis for transit traffic in each state by proposing accession to the relevant priority international Conventions, drafting and promoting adoption of a multimodal transit law/Protocol(s) of amendment, additions or annexes to the MLA.																													
No	MAIN ACTIVITIES	TIME FRAME																				INPUTS							
		2002		2003										2004								PERSONNEL (man/days)		EQUIPMENT & FURNITURE	OTHER				
		11	12	1	2	3	4	5	6	7	8	9	10	11	12	1	2	3	4	5	6	7	8			9	10	11	International
PHASE 1 Inception and Setting-Up															504		462		List of office equipment and furniture has already been approved by the CEU. The furniture and office equipment currently used by the Project was made available by the PS or supplied by the Contractor.	Europe-Baku- Europe 15 flights Baku-Tbilisi-Baku 3 trips by train									
1.	Project kick-off meeting (Brussels)																												
2.	Project kick-off meeting PS IGC (Baku)																												
3.	Project kick-off meeting beneficiary (Baku)																												
4.	Provide advice and assistance to the PS																												
5.	Draft new Statute of the PS																												
6.	Draft new Rules of Procedure of the IGC																												
7.	Setting-up of NLWG																												
8.	Setting-up of MLWG																												
9.	Setting-up of Head office in Baku																												
10.	Setting-up of regional office in Tashkent																												
11.	Setting-up of regional office in Bucharest																												
12.	Setting-up of sub-office in Tbilisi																												
13.	Meeting of WG of NS's and lawyers in Baku																												
14.	Collection of info. on domestic laws																												
15.	Collection of information on regional treaties																												
16.	Identification of appropriate international treaties																												
17.	Familiarisation with current operational situation per country																												
18.	Identification of violation of provisions of MLA and decision of IGC TRACECA																												
19.	Multilateral road transportation permit system feasibility																												
20.	TRACECA Visa																												
TOTAL															504		462												

OVERALL PLAN OF OPERATIONS (part 2)

Project title : Common Legal Basis for Transit Transportation		Project number : 2002/027-526				Beneficiary countries: Armenia, Azerbaijan, Bulgaria, Georgia, Kazakhstan, Kyrgyzstan, Moldova, Romania, Tajikistan, Turkey, Turkmenistan, Ukraine, Uzbekistan.										Page : 2 of 2												
Planning period : Nov. 2002 – Nov. 2004		Prepared on : February 2003				EC Consultant : Lamnidis & Associates																						
Project objectives : To provide the TRACECA States with the necessary elements for organising a common legal basis for transit traffic in each state by proposing accession to the relevant priority international Conventions, drafting and promoting adoption of a multimodal transit law/Protocol(s) of amendment, additions or annexes to the MLA.																												
No	MAIN ACTIVITIES	TIME FRAME																				INPUTS						
		2002		2003										2004								PERSONNEL		EQUIPMENT & FURNITURE	OTHER			
		11	12	1	2	3	4	5	6	7	8	9	10	11	12	1	2	3	4	5	6	7	8			9	10	11
PHASE 2 Drawing-up and Negotiation														728	970													
21.	First Draft of the multimodal transit model law/ Protocol(s) for amendments and additions to MLA																											
22.	Setting-up of MLWG																											
23.	Drawing-up a Technical Annex on vehicle technical standards																											
24.	Presenting, analysing and negotiating the legal instruments to the national LWGs																											
25.	Elaborating the Legal Guide to International Agreements																											
26.	Promoting ratification of intern/al transport-trade treaties																											
27.	Continuing to provide advice and assistance to the PS																											
28.	Multilateral road transportation permit system feasibility																											
29.	Second Meeting of the WG of NS																											
30.	TRACECA Visa																											
PHASE 3 Adoption and Implementation														254	1340													
31.	Finalising negotiation of legal instruments																											
32.	Promote adoption of the multimodal transit model law/ Protocol(s) for amendments and additions to MLA																											
33.	Promote ratification and implementation of int. transport and trade treaties																											
34.	Promote adoption of the Technical Annex on Vehicle tech. Standards																											
35.	Continuing to provide advice and assistance to the PS																											
36.	TRACECA Visa																											
REPORTS																												
37.	Inception/ Progress																											
38.	Draft Final																											
39.	Final																											
GRAND TOTAL														1486	2772													

OVERALL OUTPUT PERFORMANCE PLAN

Project title : Common Legal Basis for Transit Transportation	Project number : 2002/027-526	Beneficiary countries: Armenia, Azerbaijan, Bulgaria, Georgia, Kazakhstan, Kyrgyzstan, Moldova, Romania, Tajikistan, Turkey, Turkmenistan, Ukraine, Uzbekistan.	Page : 1 of 1
Planning period : November 2002 – November 2004	Prepared on : February 2003	EC Consultant : Lamnidis & Associates	
Outputs	Agreed Objective Verifiable Indicators	Constrains and Assumptions C/A	
<p>Established National Legal Working Groups (LWG) Multilateral LWG</p> <p>Bilateral and Multilateral Agreements collected and changes recommended</p> <p>Recommended Conventions ratified and implementation facilitated</p> <p>Guide to International Conventions elaborated</p> <p>Multimodal transit model law promoted/Protocol to the MLA (subject to decision of the Parties to the MLA)</p> <p>TRACECA permit and quota system elaborated</p> <p>Modern technical vehicle standards recommended</p> <p>Legal assistance to the IGC Permanent Secretariat</p> <p>Financing support to the National Secretaries, General Secretary and Executive Secretary and two working groups</p>	<p>Setting-up National and Multilateral LWGs</p> <p>Identification of international agreements</p> <p>Holding meetings with National Commissions</p> <p>Collection of regional treaties</p> <p>A multimodal transit model law/ Protocol(s) for amendments and additions to the MLA</p> <p>Holding meetings with the National LWGs</p> <p>Assistance to the PS, MLWG and to the NLWGs established by the National Commissions</p>	<ul style="list-style-type: none"> - Decisions to be taken contrary to the Articles of the Multi-Lateral Agreement; - The Articles and Technical Annexes to the MLA not to be implemented; - The IGC, National Commissions and National Secretaries not to take decisions on key issues, or are not to be in a position to do so; - The various agencies are not to be informed of the engagements of the MLA and its Technical Annexes; - Decisions to be proved incapable of implementation because of insufficient financial resources in individual states; - Decisions to be taken contrary to the provisions of the International Conventions ratified; - International Conventions ratified not to be implemented. 	

PLAN OF OPERATIONS FOR THE NEXT PERIOD (Work programme)

Project title : Common Legal Basis for Transit Transportation		Project number : 2002/027-526				Beneficiary countries: Armenia, Azerbaijan, Bulgaria, Georgia, Kazakhstan, Kyrgyzstan, Moldova, Romania, Tajikistan, Turkey, Turkmenistan, Ukraine, Uzbekistan.			Page : 1 of 1		
Planning period : March 2003 – August 2003		Prepared on : February 2003				EC Consultant : Lamnidis & Associates					
Project objectives : To provide the TRACECA States with the necessary elements for organising a common legal basis for transit traffic in each state by proposing accession to the relevant priority international Conventions, drafting and promoting adoption of a multimodal transit law/Protocol(s) of amendment, additions or annexes to the MLA.											
		TIME FRAME						INPUTS			
		2003 (months)						PERSONNEL		EQUIPMENT & FURNITURE	OTHER
No	ACTIVITIES	March	April	May	June	July	August	International	Local		
1.	Provide assistance to the PS										
2.	Setting-up of NLWG									34 flights	
3.	Setting-up of MLWG										
4.	Setting-up of regional office in Bucharest										
5.	Setting-up of sub-office in Tbilisi										
6.	Collection of information on domestic laws										
7.	Collection of information on regional treaties										
8.	Identification of appropriate international treaties										
9.	Familiarisation with current operational situation per country										
10.	Identification of violation of provisions of MLA and decision of IGC TRACECA										
11.	Multilateral road transportation permit system feasibility										
12.	TRACECA Visa										
13.	First Draft of the multimodal transit model law/ Protocol(s) for amendments and additions to MLA										
14.	Drawing-up a Technical Annex on vehicle technical standards										
15.	Presenting, analysing and negotiating the legal instruments to the national LWGs										
16.	Elaborating the Legal Guide to International Agreements										
17.	Promoting ratification of international transport-trade treaties										
18.	Second meeting of the WG of NS										
TOTAL											

Annex 1

Kick-off meeting with EC in Brussels

November 21, 2002

Participants: - Project Manager of the “Common Legal Basis for Transit Transportation” project Mr. Efstathios Dalamangas
- Team Leader of the “Common Legal Basis for Transit Transportation” project Mr. Thomas Lamnidis

The basic considerations and the initial approach of the contractor concerning the project have been presented, through a brief elaboration of the proposal that had been submitted to the European Commission and accepted during the tender procedure.

Special emphasis has been given from the contractor to the need of the contractor’s quick response to the recruitments of the local experts for the Baku Office (basic office).

The Team Leader has also presented in brief, the works that must be done during the Inception period, starting with the international experts’ travel in Baku, in order to proceed directly to the organisational structure.

Relevant experience of the region should be taken into consideration and the co-operation with the Permanent Secretariat should be established, as well as with the other on-going relevant TRACECA Projects: “The Traceca Co-ordination Team”, the “Harmonisation of Border Crossing Procedures” and the “Unified Policy on Transit Fees and Tariffs”.

A preliminary Agenda of the Baku kick-off meeting has also been presented and should be finalised in Baku within the next after the kick-off meeting in Brussels days after the Task Manager’s (Mr. Dalamangas) approval.

The Project Manager, Mr. Dalamangas, stressed out the importance to follow Tacis recent procedures in every step of the project, requested the maximum co-operation with the Permanent Secretariat and the Inter-governmental Commission, always according to the Terms of Reference and the Tacis rules and procedures.

Annex 2

Kick-off Meeting in Baku

December 3, 2002

Present:

- The General Secretary of the PS of IGC, Mr. A. Tagirov
 - The Executive Secretary of the PS of IGC, Mr.Z. Kvatchantiradze
 - The technical staff of the Permanent Secretariat
 - The National secretary of Azerbaijan, Mr. Akif Mustafaev
 - The Team Leader of "The Co-ordination Team", Mr. M. Graille
 - The Team Leader of the project "Harmonisation of Border Crossing Procedures", Mr. Peter Ranger
 - The Team Leader of the project "Unified Policy on Transit Fees and Tariffs", Mr. L. Cheesman
 - The Team Leader of the project "Common Legal Basis for Transit Transportation", Mr. Thomas Lamnidis
 - The International Expert responsible for administrative aspects of the project "Common Legal Basis for Transit Transportation", Mr. Alekos Kalofolias
 - The International Transport expert and Project Co-ordinator of the project "Common Legal Basis for Transit Transportation", Mr. V. Turdzeladze
-

▪ Welcome speech of the General Secretary

The importance of TRACECA projects has been analysed as well as the special need for the creation of the "Common Legal Basis for Transit Transportation" project as a follow-up of Implementation of Basic Multilateral Agreement on International Transport for Development of the Transport Corridor Europe- the Caucasus- Asia "TRACECA".

▪ Welcome speech of the Executive Secretary

It has been emphasised the need of close co-operation among all the beneficiary countries, as well as between the Contractor and the European Commission's Authorities for the successful implementation of the TRACECA project.

It has also been requested by the contractor the immediate response and support from all the signatory countries of the TRACECA MLA for the preparation of the Technical Working Group of National Secretaries and Lawyers.

During this Working Group of the National Secretaries and Lawyers, there will be an elaboration of Permanent Secretariat's proposals (that should be prepared in co-operation with and the assistance of the contractor), concerning the Rules of Procedures of the Inter-Governmental Commission of TRACECA (IGC TRACECA) as well as the Statutes of the Permanent Secretariat.

After the welcome speech, the Team Leader of “Common Legal Basis for Transit Transportation” made the introduction of the project as presented in his technical proposal for the European Commission, according to the Terms of Reference and he emphasised the Contractor’s firm commitment to a close co-operation with the PS and the other Contractors, for the purpose of the successful implementation of the project, always according to TACIS rules and procedures.

The Team Leader also submitted himself and his team to the disposal of the PS to assist for the preparation of the Agenda of the Working Group of National Secretaries and Lawyers and for the preparation of the PS’s proposals concerning the Rules of Procedures of the IGC TRACECA and the Statutes of the Permanent Secretariat. For this purpose, another lawyer –the legal expert Mr. Dimitrios Kouvaras- will be requested directly to come to Baku and work closely with the Executive Secretary and the other Contractor’s team and the PS.

Afterwards, the Team Leader of the Co-ordination Team, Mr. Marc Graille welcomed the Contractor and expressed the way that –on a weekly basis- all the on-going TRACECA projects (The Co-ordination Team”, “Harmonisation of Border Crossing Procedures”, “Unified Policy on Transit Fees and Tariffs”, “Common Legal Basis for Transit Transportation”) will co-operate between themselves.

The Team Leaders of the other relevant projects expressed their willingness to co-operate within the framework of TRACECA projects.

Finally, the National Secretary of Azerbaijan noticed that the General Secretary, the Executive Secretary and the National Secretaries of TRACECA haven’t been paid yet, because the “Common Legal Basis for Transit Transportation” project that provided in its budget an amount concerning salaries and accommodations of the National Secretaries, General Secretary and Executive Secretary has just been signed. He requested the contractor’s prompt response upon this purpose.

The contractor answered that –despite the fact that it will take some time for the issue of the guarantee letter necessary for the advance payment from the European Commission and also the time needed for the European Commission to pay the Advance payment (especially because of the Christmas period), he would go directly to Greece and solve all relevant administrative, bureaucratic problems and respond immediately to that request by his own funds.

The General Secretary expressed his satisfaction for the proceedings of the kick-off meeting and closed the meeting.

Annex 3



Tacis

TRACECA: Common Legal Basis for Transit Transportation



Common Legal Basis for Transit Transportation

January 23, 2003

Baku, Azerbaijan

Overall Project Objectives

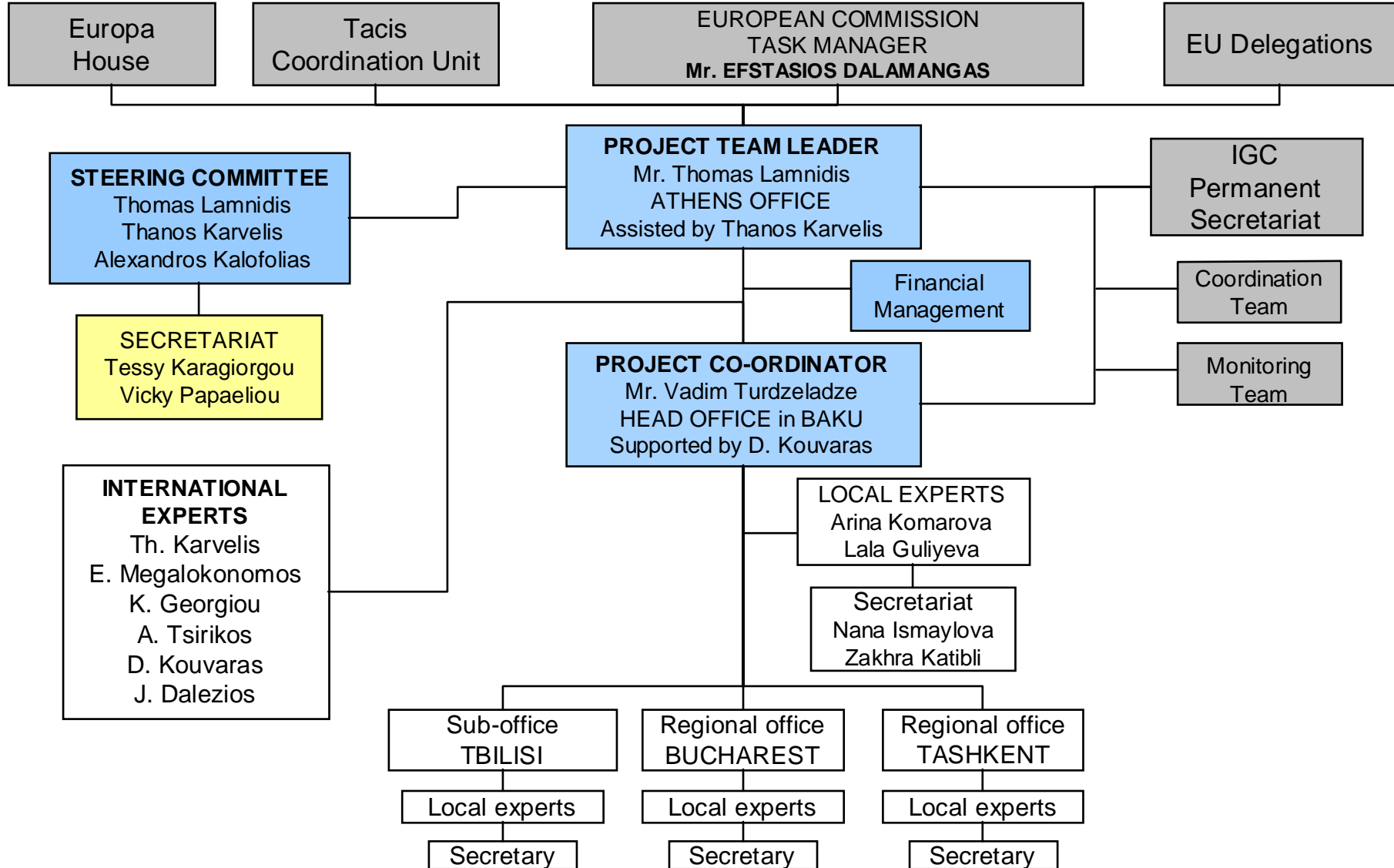
- Facilitation of development of economic relations, trade communication in the TRACECA region by means of:
 - devising of a common legal framework for multimodal carriage of goods and cargo insurance;
 - harmonization of national legislation with international principles and requirements relevant to transit traffic;
 - facilitation of accession to, ratification and efficient implementation of the priority international conventions;
 - harmonization of legal and regulatory framework in the field of transport and customs regulation, incorporating international standards and requirements;
 - close cooperation with other Tacis-TRACECA Projects including:
 - Harmonization of Border Crossing Procedures (HBCP)
 - Unified Policy on Transit Fees and Tariffs (UPTFT)

Project Objective: to organize common legal basis for transit traffic in each TRACECA State

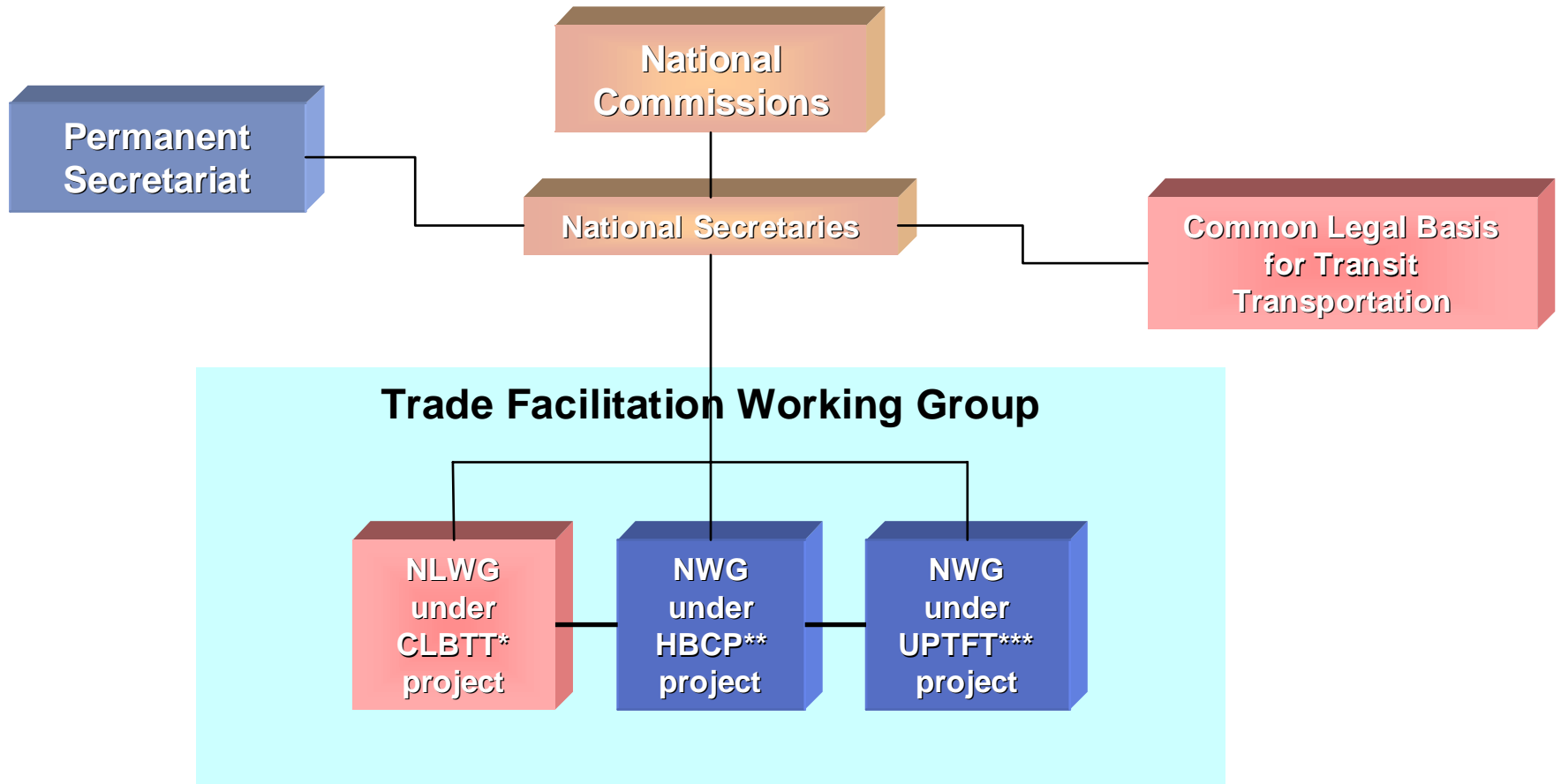
Project purpose and deliverables:

- Establishment of:
 - National LWG
 - Multilateral LWG
- In cooperation with the National Commissions and National Secretaries, collection and analysis of relevant Bilateral and Multilateral Agreements and elimination of deficiencies
- Promotion of ratification and implementation of the recommended Conventions
- Elaboration and presentation of a Guide to International Conventions
- Elaboration of a multimodal transit model law (subject to decision of the Parties to the MLA)
- Elaboration of TRACECA permit and quota system
- Drafting of Technical Annex, amendments or additions to the MLA
- Assistance to the IGC Permanent Secretariat

Organisational Structure of the Project “Common Legal Basis for Transit Transportation”



National level

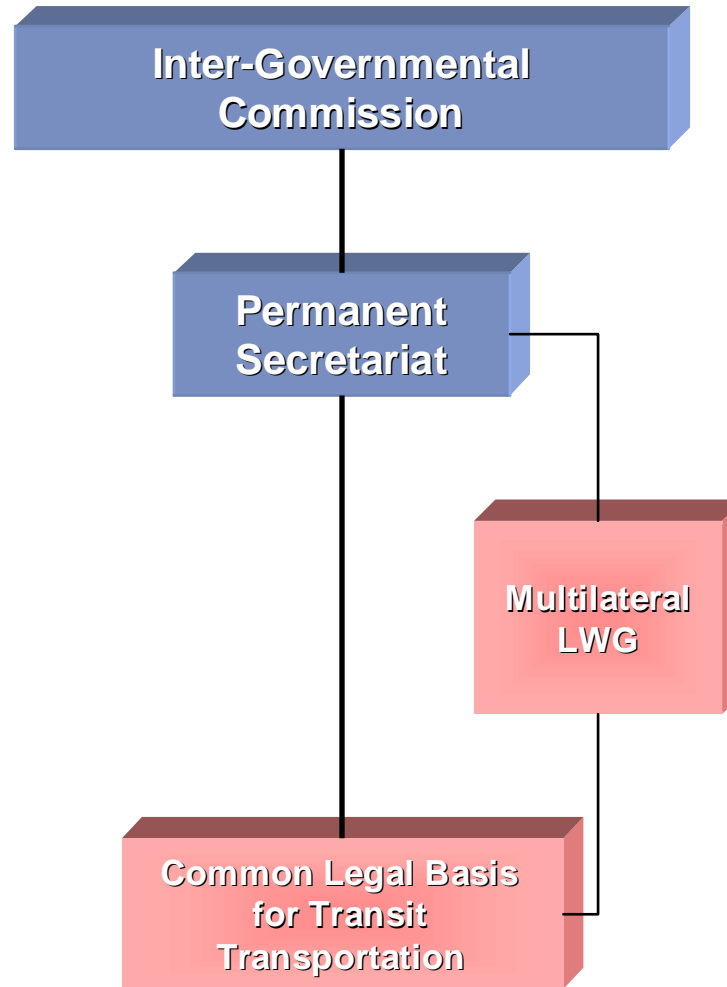


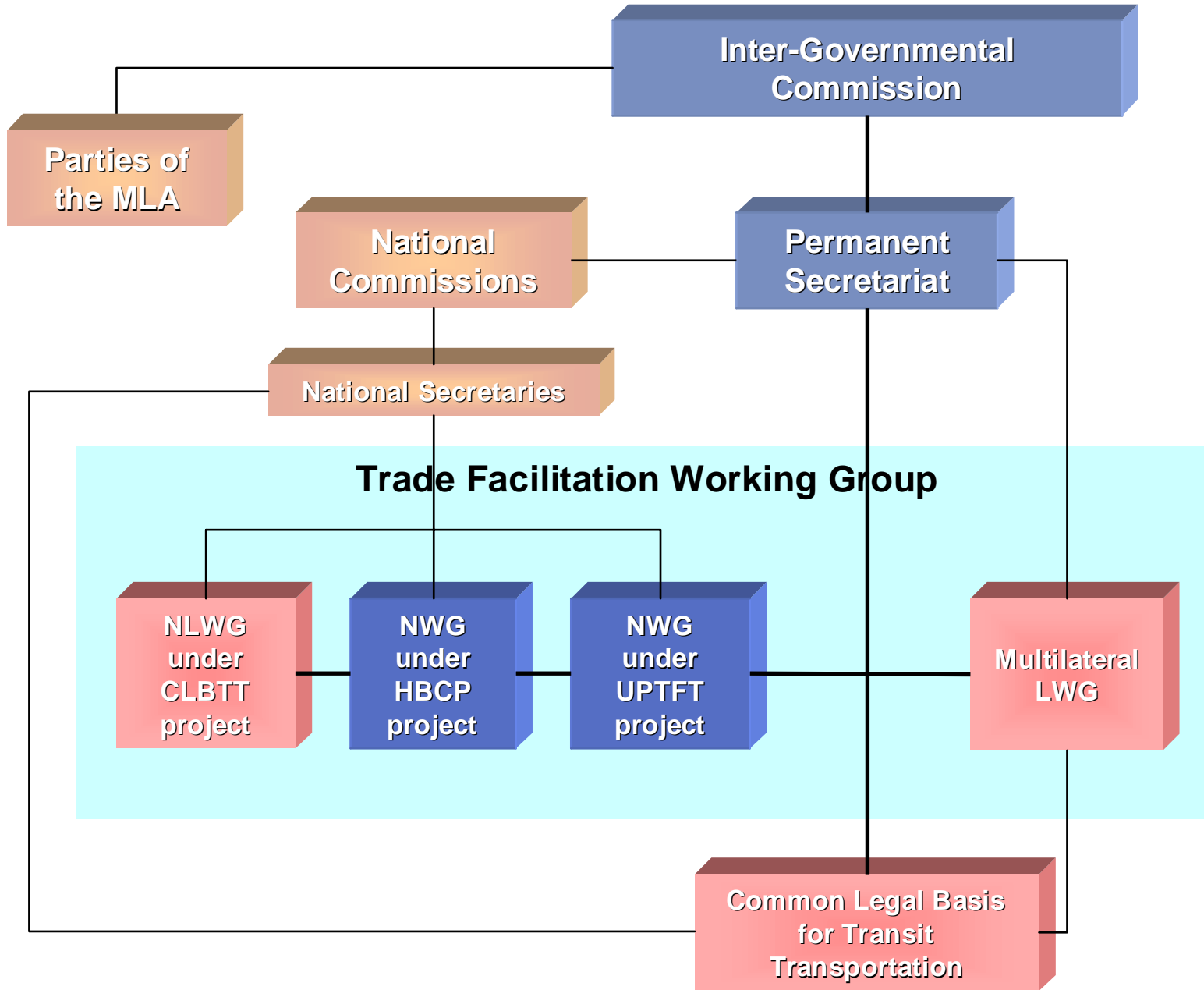
* CLBTT – Common Legal Basis for Transit Transportation

** HBCP – Harmonization of Border Crossing Procedures

*** UPTFT – Unified Policy on Transit Fees and Tariffs

Multilateral level





Legal Working Groups

- **National Legal Working Group (NLWG)**
 - Monitoring of current legislation in international transit transportation
 - Identification of deviations from the international agreements and conventions in force
 - Promotion of compliance of the national legislation with provisions of international agreements and conventions
 - Facilitation of accession to the existing priority conventions
 - Development of recommendations for simplification of the existing regulations applicable to transit transportation
 - Simplification of border-crossing procedures keeping sufficient administrative control preventing illicit trafficking of goods
- **Multilateral Legal Working Group (MLWG)**
 - Analysis of the current national TRACECA member states laws and regulations for international and transit transportation
 - Consideration of the recommendations on simplification and harmonization of international transit transport regulations in the TRACECA member states
 - Elaboration of the common action plan for increased competitiveness of the TRACECA transit corridor
 - Devising recommendations to the PS and IGC on incorporation of amendments and additions to the Basic Multilateral Agreement and its annexes

Project Steps

towards Increased TRACECA Transport Corridor Competitiveness

Short-term tasks (1 phase)

- Analysis and monitoring of the existing transport legislation;
- Adoption of the Rules of Procedures IGC and Statutes PS IGC TRACECA;
- Adoption of recommendations on accession to International Conventions (Multimodal, Kyoto Convention etc.);
- Approval of the “TRACECA Permits System” concept for the road transport.

Long-term tasks (2 phase)

- Adoption of amendments/ annexes to the MLA (example: establishment of TRACECA permits system);
- Introduction followed by approval of common technical standards on waits and dimensions for the road transport in TRACECA region;
- Accession to the priority international conventions in the field of transit transportation.

Annex 4



Appendix 2

**INTERGOVERNMENTAL COMMISSION «TRACECA»
MEETING OF NATIONAL SECRETARIES AND LEGAL EXPERTS
(WORKING GROUP)**

**Baky, January 23-24, 2003
Permanent Secretariat of the IGC TRACECA**

LIST OF PARTICIPANTS

EUROPEAN UNION PRESIDENCY

H.E. Dr. Mercouiros B. KARAFOTIAS,
Ambassador Extraordinary and Plenipotentiary
of the Hellenic Republic to the Republic of Azerbaijan

PERMANENT SECRETARIAT OF IGC TRACECA

NAME	POSITION
Mr. Abdurashid TAGIROV	Secretary General of PS IGC TRACECA
Mr. Zviad KVATCHANTIRADZE	Executive Secretary of PS IGC TRACECA, Ambassador
Mr. Marc GRAILLE	Supervisor of PS IGC TRACECA Dornier Consult/Transtec , TRACECA Coordination Team

TRACECA PROJECTS

Mr. Thomas LAMNIDIS	“CLBTT- Common Legal Basis for Transit Transportation” Team Leader
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Mr. Vadim TURDZELADZE	“CLBTT-Common Legal Basis for Transit Transportation” Project Co-ordinator
Mr. Athanasios KARVELIS	Legal Expert CLBTT
Mr. John DALEZIOS	Institutional Expert CLBTT
Mr. Alexandros KALOFOLIAS	Management Expert CLBTT
Mr. Peter RANGER	Project Manager “ HBCP- Harmonization of Border Crossing Procedures”

PARTIES TO THE MLA

№	STATE	NAME	POSITION
1	AZERBAIJAN	Mr. Akif MUSTAFAYEV	National Secretary
		Mr. Azad JAFAROV	Ministry of Foreign Affairs of Republic of Azerbaijan Desk Officer
2	ARMENIA	Mr. Gagik GRIGORYAN	National Secretary
3	BULGARIA	Mr. Lubomil IVANOV	National Secretary, Deputy Minister of Transport of the Republic of Bulgaria
		Mrs. Anna NATOVA	Ministry of Foreign Affairs of the Republic of Bulgaria International Law Directorate
4	GEORGIA	Mr. George GOGIASHVILI	National Secretary
		Mr. Alexander AKHVLEDIANI	Ministry of Foreign Affairs of Georgia Head of Division of Eurasian Transport and Communications Systems
5	KAZAKHSTAN	Mr. Yerzhan SULEIMENOV	National Secretary
		Mr. Oirat A. BAIGARIN	Counselor Embassy of Republic of Kazakhstan in Republic of Azerbaijan



6	KYRGYZSTAN	Mr. Suleiman ZAKIROV	National Secretary
		Mr. Melisbek BAYSIMAKOV	Ministry of Foreign Affairs of Republic of Kyrgyzstan Adviser Economic Relations Department
7	MOLDOVA	Mr. Vecheslav TELEMAN	National Secretary
		Mr. Eugen REVENCO	Ministry of Foreign Affairs of Republic of Moldova International Law & Treaties General Department
8	ROMANIA	Not presented	
9	TAJIKISTAN	Mr. Soleh MOUMINOV	National Secretary
		Mr. Sherali IHONONOV	Head of Legal Department of Ministry of Foreign Affairs of Republic of Tajikistan
10	TURKEY	Mr. Barış TOZAR	National Secretary
		Mr. Metin KATI	Head of the International Relations Department of the Ministry of Transport and Communications
		Mrs. Günseli YASTI	Legal Adviser Ministry of Foreign Affairs of the Republic of Turkey
11	UZBEKISTAN	Mr. KuanYshbek B. URAZBAYEV	Embassy of the Republic of Uzbekistan in the Republic of Azerbaijan First Secretary
12	UKRAINE	Mr. Yury TERTYSHNYK	National Secretary
		Mrs. Marianna BETSA	3 rd Secretary of Treaty-Legal Division of the MOFA Legal Department

GUEST

Mrs. Janny BOSSCHER	Coordinator of Europa House in Republic of Azerbaijan
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Annex 5

Profile of the TRACECA Region in 2001

Country	Square km ² (thousand)	Population (million)	Density of population (inhabitants/km ²)	Volume of transported goods*	
				(millions of tones)	% 2000/2001
Armenia	29,8	3,8	127.5	3.9	11.4
Azerbaijan	86,6	8,1	93.5	76.3	22.5
Bulgaria	110,9	8,2	73.9	21.1*	0.1
Georgia	69,7	5,5	78.9	31.7	5.7
Kazakhstan	2700	14,9	5.5	211	7.7
Kyrgyzstan	198,5	4,9	24.7	26.0	0.2
Moldova	33,7	4,3	127.6	8.2*	1.3
Romania	238,4	22,4	94.0	360.8	0.7
Tajikistan	143,1	6,3	44.0	3.1*	1.1
Turkey	774,8	65,3	84.3	137.4*	2.2
Turkmenistan	488,1	4,8	9.8	17.2*	0.0
Ukraine	603,7	49,6	82.2	1302.3	1.8
Uzbekistan	447,4	24,7	54.4	46.1*	-4.4
Total	5924,7	222.8	37.6	2245.1	

* Does not include transportations fulfilled by road transport.

Annex 6



საქართველოს პრეზიდენტი
PRESIDENT OF GEORGIA

4 February, 2003

Dear President Karzai,

On behalf of the Georgian people and Government I take this opportunity to extend to you and to the people of Afghanistan my cordial greetings and best wishes for your country's speedy economic recovery and progress.

Georgia looks forward to developing a mutually beneficial relationship with Afghanistan and we are ready to work closely with you to set the stage for the future cooperation between our two countries.

As a country strategically placed to play a key role in the rapidly developing regional cooperation and integration processes in the Eurasian space, Georgia is prepared to make every effort to support Afghanistan's full engagement in these crucially important processes.

In particular, I would like to note the EU-sponsored TRACECA Inter-State Programme launched in 1993 for the development of transport and communications corridor. The TRACECA programme has already financed dozens of technical assistance and investment projects for the improvement of transport links and corridor infrastructure. TRACECA's activities have attracted large investments from various international financial institutions.

The TRACECA Programme entered into a new phase of development in 1998, when the first Summit meeting of the TRACECA participating states was held in Baku in September 1998 on the joint initiative of Azerbaijan's President Heidar Aliiev and myself. During the Summit the Basic Multilateral Agreement on International Transport for the Development of the Europe-Caucasus-Asia Corridor was signed. In order to effectively implement the Agreement, the TRACECA Intergovernmental Commission was established as a multilateral organisation for the promotion of economic cooperation in the region. The parties to the Basic Multilateral Agreement for the development of the TRACECA corridor have made a strong commitment to actively cooperate on the integration of the TRACECA corridor with the European Transport Networks (TENs) and the development of alternative transport outlets to European and world markets.

His Excellency
Hamid Karzai
President of the Interim Government of Afghanistan

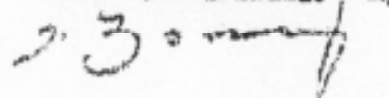
Georgia together with the other partner countries within the TRACECA Programme - Azerbaijan, Armenia, Bulgaria, Kazakhstan, Kyrgyzstan, Moldova, Tajikistan, Turkey, Romania, Uzbekistan and Ukraine - have supported the initiative of the TRACECA Intergovernmental Commission to facilitate shipments of humanitarian goods and construction materials to Afghanistan through the TRACECA corridor. The potential transit countries (Georgia, Azerbaijan, Uzbekistan, Tajikistan and Turkmenistan) have introduced special concessional tariffs for the cargoes mentioned.

In order to help your country benefit most from the opportunities offered by TRACECA, we propose that you consider Afghanistan's joining the Basic Multilateral Agreement on International Transport for the Development of the Europe-Caucasus-Asia Corridor (Baku Summit, 1998) whose depositary is the Republic of Azerbaijan. If you are interested in this proposal, Georgia is prepared to assist in expediting the accession procedures.

This year marks the 10th anniversary of the TRACECA Program and the 5th anniversary of signing the Basic Multilateral Agreement on the development of the Europe-Caucasus-Asia transport corridor. To celebrate these important milestone events, it is planned to hold the second Summit of the leaders of the TRACECA participating countries. The accession of Afghanistan to the Basic Multilateral Agreement would provide a powerful new impetus to the closer integration processes in this area, contributing significantly to the development of mutually beneficial cooperation between the TRACECA states and Afghanistan and promotion of peace and trust within Eurasia.

Sincerely yours,

Eduard Shevardnadze



Annex 7

PROPOSAL ARGUMENTATION FOR INTRODUCTION OF TRACECA VISA

Implementation of “TRACECA Visa” envisages introduction of unified documents for TRACECA transit cargos and their carriers, which will present us with the following:

- possibility to identify the TRACECA cargos,
- simplify administrative, customs, and border-crossing procedures,
- shorten the passage term of cargo transit and
- provide cargo carriers - engaged in the process of transit cargo shipments via the TRACECA corridor - with unhampered and simplified access to Parties' territories.

Most of the Parties abide by main international agreements and conventions supported by such authorities as the United Nations, however, the monitoring of the main MLA shows that there is a somewhat chaotic situation on the operators' level, especially in regard with the process of transit road cargo consignments. Oftentimes carriers face chaotic, seldom-supervised environment and irregular transit payment order, which sometimes are managed simultaneously on the national and regional levels, resulting in continuous delays and inefficiency at border crossing.

Previous TRACECA Project, entitled *Facilitation of Trade*, has discovered a lot of incoherent aspects in the Border-Crossing Procedures utilized by the TRACECA member-states. They, for instance, had to do with the documents used, management processes, legal basis for various documents in action, and full efficiency of the supervision rendered.

When it comes to the practice of crossing borders, there are serious contradictions remaining between policies and practices. On the one hand, TRACECA member-state governments are very interested in the development of economic relations with international markets, whereas, on the other hand, inefficient border-crossing procedures along with incompatible paperwork requirements impose extra expenses upon international transport operators and hinder international trade.

The purpose for introduction of “TRACECA Visa” is to harmonize the TRACECA regional body of procedures and bring them in line with the EU practice.

Wherever needed, the emphasis must fall on the implementation of new procedures, which have been built upon previously done research work and Recommendations of TRACECA Project for Trade Facilitation.

The introduction of “TRACECA Visa” System is expected to bring about a tangible improvement of the border-crossing procedures reflected in reduced expenses and shortened delays for commercially interested parties - particularly cargo carriers, exporters, importers – and will increase work-efficiency of State Agencies such as Customs and frontier bodies.

When expressing political will of state and government heads on the introduction of such special “TRACECA Visa” regime, the Parties' governments (Ministries of Foreign Affairs, Transport and other state structures concerned) should establish working groups and elaborate a model of such system jointly with the Permanent Secretariat of IGC TRACECA.

**Permanent Secretariat
Intergovernmental Commission TRACECA**

“TRACECA VISA”
Brief information on the issues discussed

1. Simplification procedures for the carriage of goods and attendants along the TRACECA corridor.

Technical Annex to the MLA concerning the “International Customs Transit Procedures for the railway transportation of goods along the TRACECA corridor applying the SMGS railway bill”.

The Working Group Meeting held in Baku (June, 21-22, 2001) considered the issue on simplification procedures for the carriage of goods and attendants along the transit territories. The Meeting also considered the Moldova proposals on transit procedures and the Uzbekistan proposals on “TRACECA Visa”. The meeting recommended them (points 4,5) to prepare the draft of the corresponding document for the MLA Parties consideration. Afterwards there came the proposals from Uzbekistan and Moldova.

At the next Meeting of the Working Group (Baku, July, 25-26, 2001) the PS IGC TRACECA was recommended (Points 2,4) to work out on the basis of the given proposals the unified document for simplified traffic procedures along the TRACECA corridor and to submit it for consideration of the MLA Parties.

The PS IGC TRACECA has worked out the draft Technical Annex to the MLA “On International Customs Transit Procedures for the railway transportation of goods along the TRACECA corridor applying SMGS waybill” on the basis of the draft “Convention on International Customs transit procedure for the carriage of goods by railways” prepared by the Railways Cooperation Organization (OSJD) and submitted for consideration of the UN Economic and Social Commission that examined the draft Convention during the ninety sixth session (October, 16-20, 2000).

Reportedly the OSJD organization is proceeding with the examination and development of the draft Convention.

The Working Group Meeting in Baku (held on October, 30-31, 2001) was presented with the draft Technical Annex concerning the “International Transit Procedures for the Carriage of Goods by Railway Transport Applying the SMGS Waybill”. There was recommended (point 3) within the framework of the National Commissions to create the Working groups with the participation of plenipotentiaries of the Ministry of Foreign Affairs, of the Customs, Border, Railway and Forwarding Structures to examine draft Technical Annex.

The Working Group at its regular Meeting in Ashgabat (February, 25-26, 2002) considered this issue together with the other issues and there was made a decision (point 4) to agree all the documents on the national level before the Tashkent conference.

2 Cancellation of mortgaging customs deposits, bank warranties, financial risk insurance policies, guarantees of the railway agencies for the goods transported by the railway and road transport.

The issue was submitted for consideration at the Working Group Meeting in Baku (June, 21-22, 2001) at the suggestion of the Georgian party. The Meeting recommended to the MLA Parties (point 3) to examine this issue for further insertion into the agenda of the Tashkent conference.

At the working Group Meeting in Ashgabat (February, 25-26, 2002) this issue was considered together with the other ones. There was made a decision (point 4) to agree all the documents on the national level before the Tashkent Conference.

FINAL RESOLUTIONS

Intergovernmental Commission "TRACECA" at its Second Conference (Annual Meeting) held in Tashkent, Republic of Uzbekistan, on April 24-25, 2002:

- Considered report of Chairman-in-Office of the IGC TRACECA, Minister of Transport and Communication of Georgia, Mr. Merab Adeishvili;
- Considered outcomes of implemented TRACECA projects during 2000-2001 and issues of further development of the Europe - the Caucasus - Asia international transport corridor and increasing its competitiveness;
- Discussed proposals for strengthening mutual cooperation between the Parties to the Basic Agreement;
- Taken into consideration the requirement to create the most favorable conditions for humanitarian goods and reconstruction materials, transported to Afghanistan;
- and in accordance with Article 8 (items 5, 6) of the "Basic Multilateral Agreement on International Transport for Development of the Europe-the Caucasus-Asia Corridor"

ADOPTED THE FOLLOWING DECISIONS:

1. Humanitarian goods and reconstruction materials transported to Afghanistan

The increase in offers of humanitarian goods and reconstructions materials for Afghanistan from the international community urges the Parties of the Europe-Caucasus-Asia "TRACECA" international transport corridor to create the most favorable conditions for humanitarian goods and reconstruction materials transported to Afghanistan and to organize efficient monitoring to ensure their safety and security. **For these reasons it is to:**

1.1. Establish in each Party the Monitoring Groups, involving members of TRACECA National Commissions and jointly with the Permanent Secretariat of IGC TRACECA to render maximum assistance for transportation of the above-mentioned goods;

1.2. Recommend to the Parties to make the following amendment to Article 4 "Facilitation of International Transport", item 4 stipulated as follows:

" 4. For 3 years when the given amendment comes into force, the Parties have to ensure free issue of single/double entry visas for persons transporting and accompanying humanitarian goods transported to Afghanistan via the Europe-the Caucasus-Asia "TRACECA" international transport corridor"; In order to implement this, according to the Article 11 of the Basic Agreement, to instruct PS IGC TRACECA to agree with the parties and prepare the Final Protocol based upon the Addendum to the MLA for the subsequent signatory thereof by the Parties.

1.3. Support the "Declaration on Cooperation", adopted by the large freight forwarding companies in Frankfurt on 12th April, 2002 and the initiative of the UN World Food Program on test transportations of humanitarian goods and reconstruction materials to Afghanistan via TRACECA transport corridor Europe-the Caucasus-Asia. Provide for the implementation of the most favorable conditions for transportation of these goods.

1.4. Approve the recommendations of the Working Group and PS IGC TRACECA regarding the IGC TRACECA Action Plan aimed at the implementation of IGC TRACECA decision on providing most favorable conditions for transport of humanitarian aid and reconstruction materials to Afghanistan. To address to the European Commission to kindly consider the opportunity of funding of the abovementioned Action Plan.

2. Requirement to introduce "TRACECA Visa" and adopt a new Technical Annex to the Basic Agreement on simplification of customs procedures

Consider expedient to introduce on the territories of the Parties the "TRACECA Visa" system, providing for the use of unified documents for transit of goods via the Europe-Caucasus-Asia "TRACECA" transport

Corridor. This measure will allow the identifying of TRACECA goods, simplifying administrative, customs and border-crossing procedures, shortening the time of goods transit and, on the other hand, ensuring the attendants of this transportation free of charge and simplified access to the territories of the Parties. **For this reasons it is to:**

2.1 Recommend to the Parties to adopt a new “Technical Annex on International Customs Transit Procedures in the TRACECA transport corridor Europe-Caucasus-Asia for goods transported by railway with SMGS bill”. (*Annex: 2 IGC / FD 3*). In order to implement this, according to the Article 11 of the Basic Agreement, to instruct PS IGC TRACECA to agree with the parties and prepare the Final Protocol based upon the Addendum to the Basic Agreement for the subsequent signatory there of by the Parties.

2.2 For implementation of Article 3, Item c) and Article 8, Item 6, p. g of the Basic Agreement, **to recommend** the Parties to make an amendment to the Article 4 “Documentation procedures” of the “Technical Annex on Customs and Documentation Procedures to the Basic Agreement”, adding the fifth item as follows:

“5. Not to apply customs, bank guarantees, financial risk insurance policies, railway guarantees for transit of goods by railway transport”. In order to implement this, according to the Article 11 of the Basic Agreement, to instruct PS IGC TRACECA to find agreement with the parties and prepare the Final Protocol based upon the Addendum to the Basic Agreement to be subsequently signed by the Parties.

3. “TRACECA Coefficients” and ways of improving competitiveness

To take into account the successful development of the initiative of the Permanent Secretariat of IGC TRACECA concerning the introduction of “TRACECA Coefficient” for railway and sea transport, as well as results of the activity done in the sphere of improvement of the tariff policy coordination to reduce international and transit transportation costs in the Europe-Caucasus-Asia “TRACECA” transport corridor:

3.1 To recommend to the Parties to make the following amendment to the Appendix 2 to “Technical Annex on International Railway Transport”:

“c) to apply VAT zero-rate on railway transport services in international and transit railway connection, including transportation, forwarding, loading/unloading and storage services”; In order to implement this, according to the Article 11 of the Basic Agreement, to instruct PS IGC TRACECA to find agreement with the parties and prepare the Final Protocol based upon the Addendum to the Basic Agreement to be subsequently signed by the Parties.

3.2 To approve establishment of a special Working Group to work out coordinated tariff policy of railways, sea ports and shipping companies in the Europe-Caucasus-Asia “TRACECA” transport corridor and charge the Permanent Secretariat with facilitation of tasks set by the Working Group.

4. “TRACECA Hot Line”

Approve the establishment of the concept for the project “TRACECA Common Information System”, which has to include a special part on support and logistics of “TRACECA Hot Line” common system, proposed by the Permanent Secretariat of IGC TRACECA, and request the European Commission to facilitate priority financing of this project.

5. Development of Sea Transport

Considered pending issues of sea transport, port charges, tariffs on freight operation, goods traffic, as well as navigation safety and environment protection, for reasons to improve competitiveness of transportations by sea transport in the Europe-the Caucasus-Asia “TRACECA” transport corridor, and adopted “**Decision on development of Sea Transport**” (*Annex: 2 IGC / FD 4*).

6. Consideration of the proposals additionally introduced on development of road transportation via TRACECA Corridor

Recommend to the Parties of the Basic Multilateral Agreement to consider the proposal of Turkey on development of road transportation via TRACECA corridor and to instruct IGC TRACECA to draft and agreed document to be subsequently adopted by the IGC TRACECA.

Final Document
2 IGC / FD 2 / 25.04.02/ page 3(3)
Original: English

7. Legal Working Group within IGC TRACECA

Approve the proposal of the establishment of the Legal Working Group within IGC TRACECA with the task to elaborate Rules of Procedures for IGC TRACECA to be finally adopted on the next IGC TRACECA Conference.

8. Secretary-General of the IGC TRACECA

In accordance with Article 3 of the Statute of the Permanent Secretariat of the IGC TRACECA the members of the IGC elected Mr. Abdurashid Tagirov as Secretary-General of the IGC TRACECA.

9. Executive Secretary of the Permanent Secretariat

IGC TRACECA adopted the decision to add the Statutes of the Permanent Secretariat of the IGC TRACECA and invoked the position of Executive Secretary of the Permanent Secretariat, at the same time to eliminate the post of Deputy Secretary-General.

Members of the IGC TRACECA elected Mr. Zviad Kvatchantiradze as Executive Secretary of the Permanent Secretariat for the term of 3 years.

IGC TRACECA will determine authorities and functions of the Executive Secretary of the Permanent Secretariat, along the way, until the final approval of the Statutes of the Permanent Secretariat and the Rules of Procedures of the IGC TRACECA.

10. Next Conference (Annual Meeting) of the IGC TRACECA


In accordance with Rules of Procedure of IGC TRACECA the 2nd Conference of the IGC TRACECA recommended to summon the next IGC TRACECA Conference (Annual meeting) in Yerevan, Republic of Armenia, in 2003.

11. Approval of the Final Communiqué and the Tashkent Declaration

Adopt the Final Communiqué of the 2nd IGC TRACECA Conference (*Annex: 2 IGC /FD 5 /* and the Tashkent Declaration (*Annex: 2 IGC / FD 6*)

The Final Resolutions have been adopted on the consensus of Parties of the Basic Agreement at the 2nd Conference (Annual Meeting) of the Intergovernmental Commission “TRACECA” in Tashkent, April 25, 2002.

Annex 8

From: Kameswari Subramanian
<Kameswari.Subramanian@wcoomd.org> 
To: "CLBTT" <clbtt@ps.traceca.org>
Date: 01/13/03 19:42:44
Subject: RE: Accession to the Protocol of Amendment to Kyoto Convention

Dear Vadim Turdzeladze,

Thank you for your e-mail. We are glad to note that the 12 countries under the EU TASIC TRACECA Programme are considering accession to the Protocol of Amendment to the Kyoto Convention.

The Protocol is open for accession only to the current Contracting Party to the 1974 Convention. Of the countries you list, Bulgaria and Turkey will be able to accede to the Protocol of Amendment. The rest of the countries can become Contracting Parties to the Amended Convention when it is brought into force by accession by 40 of the present 62 Contracting Parties.

At present we have 12 Contracting Parties to the Protocol. We understand that one more country has completed its accession process and is likely to deposit its instrument of accession shortly. We are also given to understand that the European Union and its 15 Members will be acceding to the Protocol during the year. Other countries in Asia, Africa and Eastern Europe are in the process of completing their legislative process now.

Given this scenario it would be a positive development to get the accession of Bulgaria and Turkey at the earliest. Once the Convention enters into force it will be possible to have the other 10 countries accede to the amended Convention.

In the meantime we are requesting countries who are not Contracting Parties to the 1974 Convention to study the revised Convention and take steps to align their national legislation, procedures and practices so that they can accede to the amended Convention as soon as possible afterwards.

I hope this clarifies the position. Please feel free to contact me if you have any other questions.

Thank you for the reference to the website. I have found it very useful to know about the initiatives within this group.

Yours sincerely,

Kameswari Subramanian

Senior Technical Officer
WCO - World Customs Organization (www.wcoomd.org)
Facilitation Sub-Directorate (Customs Procedures and Trade Facilitation)
30, Rue du Marché, 1210 Brussels, Belgium
Tel.: +32 2 209 9353; Fax: +32 2 209 9493; E-mail:
kameswari.subramanian@wcoomd.org

-----Original Message-----

From: CLBTT [mailto:clbtt@ps.traceca.org]
Sent: Monday, January 13, 2003 9:46 AM
To: Kameswari Subramanian
Subject: Accession to the Protocol of Amendment to Kyoto Convention

Dear Kameswari Subramanian:

As you know, the EU TASIC TRACECA Program unites 12 countries, (Azerbaijan, Armenia, Bulgaria, Georgia, Kazakhstan, Kyrgyzstan, Moldova, Romania, Tajikistan, Turkey, Uzbekistan, Ukraine), members to the Basic Multilateral Agreement on International Transport for Development of the Europe-the Caucasus-Asia Corridor(MLA, 1993).

The above countries are considering possibilities for accession to the Protocol of Amendments (June 1999) to Kyoto Convention of 1974.

In this regard and facilitating this initiative, our TASIC TRACECA Project "Common Legal Basis for Transit Transportation", would like to ask your respective authority for possible recommendations.

Should you have any inquiries about the TRACECA program, you may visit the web site at www.traceca.org or contact us directly.

Thank You for Assistance,

Vadim Turdzeladze
Project Coordinator

TACIS TRACECA Project
Common Legal Basis for Transportation
Tel/Fax : 99412 983801
E-mail : clbtt@ps.traceca.org

Annex 9

National Secretary of Armenia in IGC TRACECA
Mr. Gagik Grigoryan
National Secretary of Azerbaijan in IGC TRACECA
Mr. Akif Mustafayev,
National Secretary of Bulgaria in IGC TRACECA
Mr. Lubomil Ivanov,
National Secretary of Georgia in IGC TRACECA
Mr. George Gogiashvili,
National Secretary of Kazakhstan in IGC TRACECA
Mr. Yerzhan Suleymenov,
National Secretary of Kyrgyzstan in IGC TRACECA
Mr. Suleiman Zakirov,
National Secretary of Moldova in IGC TRACECA
Mr. Veacheslav Teleman,
National Secretary of Romania in IGC TRACECA
Ms. Ana-Maria Popescu,
National Secretary of Tajikistan in IGC TRACECA
Mr. Solih Mouminov,
National Secretary of Turkey in IGC TRACECA
Mr. Baris Tozar,
National Secretary of Ukraine in IGC TRACECA
Mr. Yuri Tertyshnik,
National Secretary of Uzbekistan in IGC TRACECA
Mr. Abdulla Khashimov.

Subject: Follow-up of (1) the Decisions of the Second Annual Conference of the IGC TRACECA, held in Tashkent, April 2002 and (2) Working Group Meeting of National Secretaries and Legal Experts, held in Baku 23-24 January 2003

Dear Colleagues,

As provided in the Final Resolutions of the Second IGC TRACECA Conference, Item 7 thereof, Working Group of National Secretaries and Legal Experts was held in Baku on January 23-24, 2003 in the Permanent Secretariat IGC TRACECA, to elaborate the Rules of Procedures of the IGC TRACECA and Statutes of the Permanent Secretariat of IGC TRACECA and proposal of methods of joint financing of the work of the Permanent Secretariat and National Secretaries of PS IGC TRACECA to be finally adopted by the next IGC Conference.

In the course of Working Group Meeting, **the Trade Facilitation Concept** jointly developed by the experts of Harmonization of Border Crossing Procedures, Unification of Transit Fees and Tariffs and Common Legal Basis for Transit Transportation Projects was presented to all of you who attended the WG Meeting. (Documents of this Meeting were subsequently sent to the representatives of the Parties).

As you are well aware, the National Working Groups shall be formed to carry forward the work commenced by the three above designated projects.

It is envisaged that each National Secretary shall become Chairman of the relevant National Working Group (NWG).

Technical assistance (including dedicated financing) to facilitate functioning of the National Working Groups from the Harmonization of Border Crossing Procedures, Unification of Transit Fees and Tariffs and Common Legal Basis for Transit Transportation Projects, is envisaged in the context of the Trade Facilitation Concept.

In view of the above, the PS IGC TRACECA hereby requests you to commence execution the following tasks:

Immediate and Urgent Tasks

You are requested to advise about implementation of the Final Resolutions of the Second IGC TRACECA Conference, held in Tashkent in April 2002, including the status of the compliance with the execution of the following specific decisions in your respective countries:

- a. on free issue of single/double entry visas for ship-owners' agents, forwarding companies and organizations transporting humanitarian goods and constructional material transported to Afghanistan via the Europe-the Caucasus-Asia TRACECA Corridor (reference is made to item 1.2. of the Final Resolutions).
- b. on SMGS bill applied in international customs transit via the Europe- the Caucasus- Asia TRACECA transport corridor for goods transported by railways under international customs transit procedures (reference is made to item 2.1 of the Final Resolutions)
- c. on VAT-zero rate on railway transport services in international and transit railway connection (reference is made to item 3.1 of the Final Resolutions)

Together with relevant authorities (National Commission in first turn) to initiate selection of candidates to be nominated members (minimum 3 persons) of the National Working Group. It is recommended that each expert represent legal department of the Ministry of Transport/relevant authority, Ministry of Justice, Ministry of Foreign Affairs.

It is also highly recommended, in order to facilitate future discussions, that all those representatives of the Ministries of Foreign Affairs who attended the Meeting of the Work Group of National Secretaries and Legal Experts held in Baku in 23-24 January 2003, should become members of the National Working Group.

In order to provide for better co-operation of the future WG members with the project's experts, the Team of the Common Legal Basis for Transit Transport Project will be immediately involved in the establishment of the NWG.

Immediate and Permanent Tasks

- a. Monitoring of current domestic legislation relevant to the transit transportation
- b. Identification of reasons that impede execution of decisions of the Second IGC TRACECA Conference with the aim of promotion of their subsequent implementation
- c. Identification of violations of the MLA and international conventions in force
- d. Collection and analysis of the bilateral and regional agreements relevant to transit transportation
- e. Development of recommendations for simplification of the existing regulations related to transit transportation
- f. Development of recommendations for simplification of border-crossing procedures.
- g. Promotion of legislative initiatives for bringing the national legislation into compliance with the International Conventions, which your respective countries are being parties to.
- h. Promotion of compliance of the domestic legislation to the provisions of the MLA.

You will be duly advised on the visits of the Team Leader and experts of the project to your respective countries.

Sincerely,

Abdurashid TAGIROV
Secretary General

Annex 10



Appendix 1

**INTERGOVERNMENTAL COMMISSION «TRACECA»
MEETING OF NATIONAL SECRETARIES AND LEGAL EXPERTS
(WORKING GROUP)**

**Baky, January 23-24, 2003
Permanent Secretariat of the IGC TRACECA**

AGENDA

JANUARY 22, 2003

REGISTRATION 18:00 – 20:00

WELCOME DINNER 20:00

DAY 1 – JANUARY 23, 2003

MORNING SESSION 10:00 – 12:30

JOINT MEETING OF NATIONAL SECRETARIES AND LEGAL EXPERTS

10.00 –10.10	Opening speech	Secretary-General
10.10 –10.20	Welcome speech	EU representative
10.20 –10.30	Adoption of the proposed Agenda	Secretary-General
10.30 –10.50	Coffee-break	
10.50 –11.10	Kick-off Meeting/ Presentation of the Project “Common Legal Basis for Transit Transportation” in Power Point	Team Leader of the Project “Common Legal Basis for Transit Transportation”
11.10 –11.20	Introduction of the Trade Facilitation Concept	Projects “Harmonization of Border Crossing Procedures” and “Unified Policy for Transit Fees and Tariffs”*
11.20 –11.40	Information about ongoing TRACECA projects and elaboration of the Action Plan TRACECA 2002- 2003	Team Leader of the Project “TRACECA Coordination Team”
11.40 - 12.00	Introduction of the new version of Rules of Procedures for IGC TRACECA and Statutes of the Permanent Secretariat	Executive Secretary

*Team Leader of the Project “Harmonization of Border Crossing Procedures” will make the presentation



LUNCH 12:00 -14:30

AFTERNOON SESSION 14:30 -17:30 (TWO PARALLEL SESSIONS)

I. NATIONAL SECRETARIES MEETING (2nd Floor Conference room)

Chairman: Mr. Abdurashid TAGIROV – Secretary-General of the Permanent Secretariat of the IGC TRACECA

14.30 - 14.50	Presentation of the Trade Facilitation Concept	Projects “Harmonization of Border Crossing Procedures” and “Unified Policy for Transit Fees and Tariffs”*
14.50 –16.00	The Role of the National Secretaries Communications of the Parties on implementation of the Decisions of the 2 nd Annual Meeting of the IGC.	Secretary-General National Secretaries
16.00 - 16.20	Coffee-break	
16.20 - 17.00	Continuation of the Communications of the Parties	National Secretaries
17.00 – 17.30	Proposals for Future IGC TRACECA Business Plan	Secretary General
17.30	End of the first working day	

*Team Leader of the Project “Harmonization of Border Crossing Procedures” will make the presentation

II. LEGAL EXPERTS MEETING (1st Floor Conference room)

Chairman: Ambassador Zviad KVATCHANTIRADZE - Executive Secretary of the Permanent Secretariat of the IGC TRACECA

Keynote Speaker: Team Leader of the Project “Common Legal Basis for Transit Transportation”

14.30 - 14.40	Presentation of the draft new version of the Rules of Procedures for IGC TRACECA and Statutes of the Permanent Secretariat	Executive Secretary
14.40 - 16.00	Adoption of recommendations to the IGC on new versions of the Rules of Procedures of the IGC TRACECA and Statutes of the Permanent Secretariat. (Adoption of draft documents article by article).	Team Leader of the Project “Common Legal Basis for Transit Transportation”
16.00 - 16.20	Coffee-break	
16.20 - 17.20	Continuation of previous item	
17.20 –17.30	Specification of the tasks of the National Legal Working Groups and IGC Legal Working Group and presentation of the their Action Plan	Team Leader of the Project “Common Legal Basis for Transit Transportation”



DAY 2 – JANUARY 24, 2003

MORNING SESSION 10:00 – 11:00

(JOINT MEETING OF NATIONAL SECRETARIES AND LEGAL EXPERTS)

10.00 –10.30	Presentation of the results of the Meeting National Secretaries	Secretary General
10.30 - 11.00	Presentation of the results of the Meeting of the Legal experts	Executive Secretary
11.00 - 11.20	Coffee break	
11.20 - 12.00	Adoption of the Final Recommendations of the Working Group of the National Secretaries and Legal experts	Secretary General
12.00 - 12.30	Other businesses and communications	
12.30	Closing of the Working Group	

LUNCH - 13.00

DINNER - 20.00

Annex 11



Harmonisation of Border Crossing Procedures Project Trade Facilitation Working Groups Concept



- ROMANIA
- BULGARIA
- MOLDOVA
- UKRAINE
- TURKEY
- GEORGIA
- ARMENIA
- AZERBAIJAN
- KAZAKHSTAN
- TURKMENISTAN
- UZBEKISTAN
- TAJIKISTAN
- KYRGYZSTAN

Harmonisation of Border Crossing Procedures Project Strategy for Combined Trade Facilitation Working Groups

Стратегия по созданию совместных Рабочих Групп по Развитию Торговли

Проекта Гармонизация Процедур Пересечения Границ



23-24 January 2003
23-24 января 2003 года



- KYRGYZSTAN
- TAJIKISTAN
- UZBEKISTAN
- TURKMENISTAN
- KAZAKHSTAN
- AZERBAIJAN
- ARMENIA
- GEORGIA
- TURKEY
- UKRAINE
- MOLDOVA
- BULGARIA
- ROMANIA

Проект Гармонизации Процедур Пересечения Границ Концепция Рабочих Групп по Развитию Торговли



TRACECA 1993-2003

THIS YEAR TRACECA CELEBRATES TEN YEARS
OF PROGRESS AND DEVELOPMENT

В ЭТОМ ГОДУ РАЗВИТИЮ И ПРОДВИЖЕНИЮ
КОРИДОРА TRACECA
ИСПОЛНЯЕТСЯ ДЕСЯТЬ ЛЕТ

1. TRACECA IS A REGIONAL CONCEPT AND IT STRETCHES FROM EUROPE TO CHINA.

TRACECA – ЭТО РЕГИОНАЛЬНАЯ КОНЦЕПЦИЯ ПРОТЯЖЕННОСТЬЮ ОТ ЕВРОПЫ ДО КИТАЯ

THIS REGIONAL CONCEPT WAS DECREED BY THE PRESIDENTS OF THE 12 MEMBERS STATES AND THEIR TRUST AND CONFIDENCE MUST BE MAINTAINED FOR THE FUTURE SUCCESS OF TRACECA

ЭТА РЕГИОНАЛЬНАЯ КОНЦЕПЦИЯ БЫЛА УСТАНОВЛЕНА ПРЕЗИДЕНТАМИ 12 СТРАН-УЧАСТНИЦ, ВЕРА И УБЕЖДЕННОСТЬ КОТОРЫХ ДОЛЖНА ПОДДЕРЖИВАТЬСЯ ВО БЛАГО БУДУЩЕГО УСПЕХА КОРИДОРА TRACECA

2. WHO WILL CARRY TRACECA FORWARD?

КТО БУДЕТ СПОСОБСТВОВАТЬ ПРОДВИЖЕНИЮ КОРИДОРА TRACECA?

WHO WILL ENSURE THE FUTURE SUCCESS OF THE TRACECA TRANSPORT CORRIDOR?

КЕМ БУДЕТ ОБЕСПЕЧЕН БУДУЩИЙ УСПЕХ ТРАНСПОРТНОГО КОРИДОРА TRACECA?

“The future success of TRACECA, as a viable functioning Transport Corridor, will be greatly influenced by the establishment of professional TRACECA National Secretaries who understand the full meaning of Trade Facilitation and who have the authority to influence change at Government level”

HBCP Project Management – September 2002.

“На будущий успех TRACECA, в качестве жизнеспособного Транспортного Коридора, большое влияние окажут профессиональные Национальные Секретари TRACECA, которые будут полностью осознавать смысл Развития Торговли, а также будут иметь полномочия для проведения соответствующих изменений на Правительственном уровне”

Руководство проекта ГППГ – сентябрь 2002 года.

3. TRACECA NATIONAL SECRETARIES ARE THE VITAL ELEMENT TO THE FUTURE SUCCESS OF TRACECA AS A TRANSPORT AND TRADE FACILITATION CORRIDOR

НАЦИОНАЛЬНЫЕ СЕКРЕТАРИ TRACECA ЯВЛЯЮТСЯ ЖИЗНЕННО ВАЖНЫМИ ЭЛЕМЕНТАМИ БУДУЩЕГО УСПЕХА TRACECA В КАЧЕСТВЕ ТРАНСПОРТНОГО КОРИДОРА, СОДЕЙСТВУЮЩЕГО ТОРГОВЛЕ

THE TRACECA NATIONAL SECRETARIES ARE CURRENTLY FUNDED BY THE EUROPEAN UNION BOTH FOR SALARY AND EXPENSES. THERE IS ALSO ADDITIONAL FUNDING FOR THE CREATION OF CUSTOMS WORKING GROUPS UNDER THE HBSP PROJECT

В НАСТОЯЩЕЕ ВРЕМЯ НАЦИОНАЛЬНЫЕ СЕКРЕТАРИ TRACECA ФИНАНСИРУЮТСЯ СО СТОРОНЫ ЕВРОПЕЙСКОГО СОЮЗА. ТАКЖЕ ИМЕЕТСЯ ДОПОЛНИТЕЛЬНОЕ ФИНАНСИРОВАНИЕ ДЛЯ СОЗДАНИЯ ТАМОЖЕННЫХ РАБОЧИХ ГРУПП В РАМКАХ ПРОЕКТА ГППГ

THIS MEANS THAT THE NATIONAL SECRETARIES HAVE ADEQUATE RESOURCES TO CARRY OUT THEIR TASKS

ЭТО ОЗНАЧАЕТ, ЧТО НАЦИОНАЛЬНЫЕ СЕКРЕТАРИ ИМЕЮТ В РАСПОРЯЖЕНИИ ДОСТАТОЧНО РЕСУРСОВ ДЛЯ ВЫПОЛНЕНИЯ ПОСТАВЛЕННЫХ ПЕРЕД НИМИ ЗАДАЧ



4. THE WAY FORWARD FOR THE PROGRESSIVE EVOLVEMENT OF TRACECA IS TO HAVE:

ДЛЯ ПРОГРЕССИВНОГО РАЗВИТИЯ КОРИДОРУ TRACECA НЕОБХОДИМЫ:

- **Active, Effective and Efficient National Secretaries**
Активные, эффективно работающие и результативные
Национальные Секретари
- **National Secretaries with an Awareness of Regional Trade**
Национальные Секретари, осведомленные о Региональной
Торговле
- **National Secretaries who have Authority from their Ministries**
Национальные Секретари, обладающие полномочиями,
данными им Министерствами



5. The Future Success of TRACECA must have National Secretaries who will:

Для будущего успеха коридору TRACECA необходимы Национальные Секретари которые будут:













“Work Nationally but think Regionally”

**«Работать в масштабе страны, но
МЫСЛИТЬ в масштабе региона»**

6. There are three TRACECA Projects that were designed to strengthen the Institutional Capabilities of the IGC and the National Secretaries. They are:

Учреждение следующих трех проектов TRACECA было предназначено для усиления Институциональных Возможностей МПК и Национальных Секретарей:

- **Harmonisation of Border Crossing Procedures**
Гармонизация Процедур Пересечения Границ
- **Unified Policy on Transit Fees and Tariffs**
Единая Политика по Транзитным Расценкам и Тарифам
- **Common Legal Basis for Transit Transportation**
Общая Юридическая База для Транзитных Перевозок

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7. The Three Projects will all develop topic-specific ‘Working Groups’ that will progressively but quickly evolve under unified ‘*Trade Facilitation Working Groups*’ within each Member State and have the National Secretaries as Chairmen

Посредством всех этих проектов, в рамках каждой страны-участницы, будут разработаны специфические «Рабочие Группы», которые постепенно, но достаточно быстро эволюционируют в «Рабочие Группы по Развитию Торговли», во главе которых будут находиться Национальные Секретари

8. This evolvement, of the Trade Facilitation Working Groups, will be incorporated in the current structure of TRACECA

Развитие Рабочих Групп по Упрощению Торговых Операций будет отражено на текущей структуре TRACECA

PROJECTS
ПРОЕКТЫ

НВСР
ГППГ

УРТФТ
ЕПТРТ

CLBTT
ОЗБТП

NATIONAL
COMMISSIONS
НАЦИОНАЛЬНЫЕ
КОМИССИИ

NATIONAL
SECRETARIES
НАЦИОНАЛЬНЫЕ
СЕКРЕТАРИ

TRACECA
IGC
МПК TRACECA
SECRETARIAT
ПОСТОЯННЫЙ
СЕКРЕТАРИАТ

TRADE FACILITATION WORKING GROUP
РАБОЧАЯ ГРУППА ПО РАЗВИТИЮ ТОРГОВЛИ

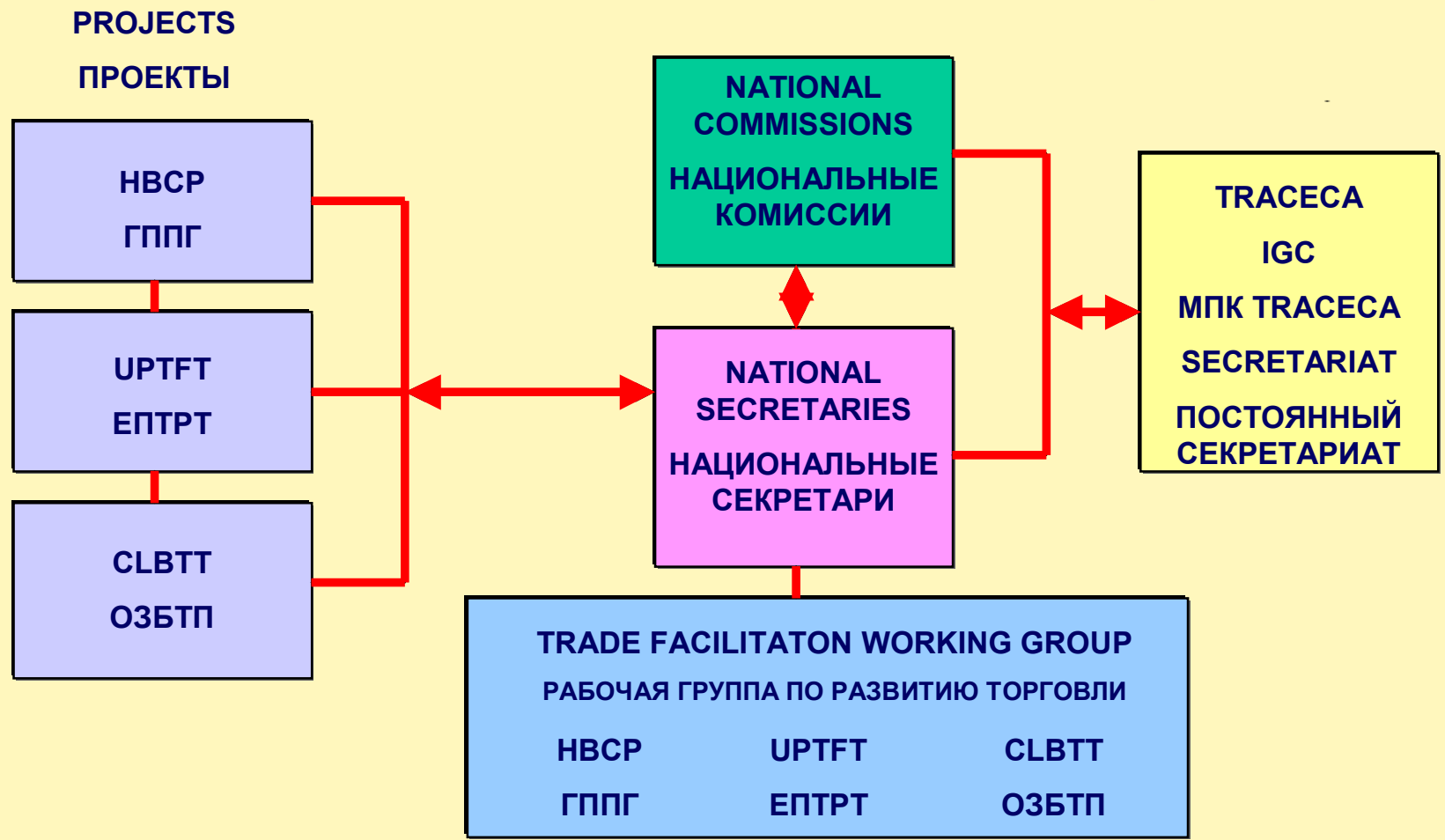
НВСР	УРТФТ	CLBTT
ГППГ	ЕПТРТ	ОЗБТП

Проект Гармонизации Процедур Пересечения Границ
Концепция Рабочих Групп по Развитию Торговли





9. THERE MUST BE EXCELLENT COMMUNICATIONS BETWEEN **ALL** TRACECA ELEMENTS
НЕОБХОДИМО ОБЕСПЕЧИТЬ ТЕСНОЕ ВЗАИМОДЕЙСТВИЕ МЕЖДУ **ВСЕМИ** ЭЛЕМЕНТАМИ TRACECA



Проект Гармонизации Процедур Пересечения Границ
Концепция Рабочих Групп по Развитию Торговли

10. WHAT SUPPORT CAN THE NATIONAL SECRETARIES EXPECT? КАКОГО РОДА ПОДДЕРЖКУ МОЖЕТ ОЖИДАТЬ НАЦИОНАЛЬНЫЙ СЕКРЕТАРЬ?

**PROJECTS
ПРОЕКТЫ**

**НВСР
ГППГ**

**UPTFT
ЕПТРТ**

**CLBTT
ОЗБТП**

- **FUNDING FOR SALARY AND OFFICE EXPENSES**
ФИНАНСИРОВАНИЕ ДЛЯ ВЫПЛАТЫ ЗАРАБОТНОЙ ПЛАТЫ И ПОКРЫТИЯ ОФИСНЫХ ЗАТРАТ
- **CERTAIN FUNDING FOR WORKING GROUP ACTIVITIES (НВСР)**
ФИКСИРОВАННОЕ ФИНАНСИРОВАНИЕ НЕОБХОДИМОЕ ДЛЯ ДЕЯТЕЛЬНОСТИ РАБОЧИХ ГРУПП (ГППГ)
- **TRAINING MATERIAL**
МАТЕРИАЛЫ ПО ТРЕНИНГУ
- **EUROPEAN EXPERT ADVICE AT MEETINGS**
КОНСУЛЬТАЦИИ С ЕВРОПЕЙСКИМИ ЭКСПЕРТАМИ НА СЕМИНАРАХ
- **IGC AND SECRETARIAT SUPPORT**
ПОДДЕРЖКА МПК И СЕКРЕТАРИАТА

**NATIONAL COMMISSIONS
НАЦИОНАЛЬНЫЕ КОМИССИИ**

**TRACECA
IGC
МПК TRACECA
SECRETARIAT
ПОСТОЯННЫЙ СЕКРЕТАРИАТ**

**TRADE FACILITATION WORKING GROUP
РАБОЧАЯ ГРУППА ПО РАЗВИТИЮ ТОРГОВЛИ**

НВСР	UPTFT	CLBTT
ГППГ	ЕПТРТ	ОЗБТП



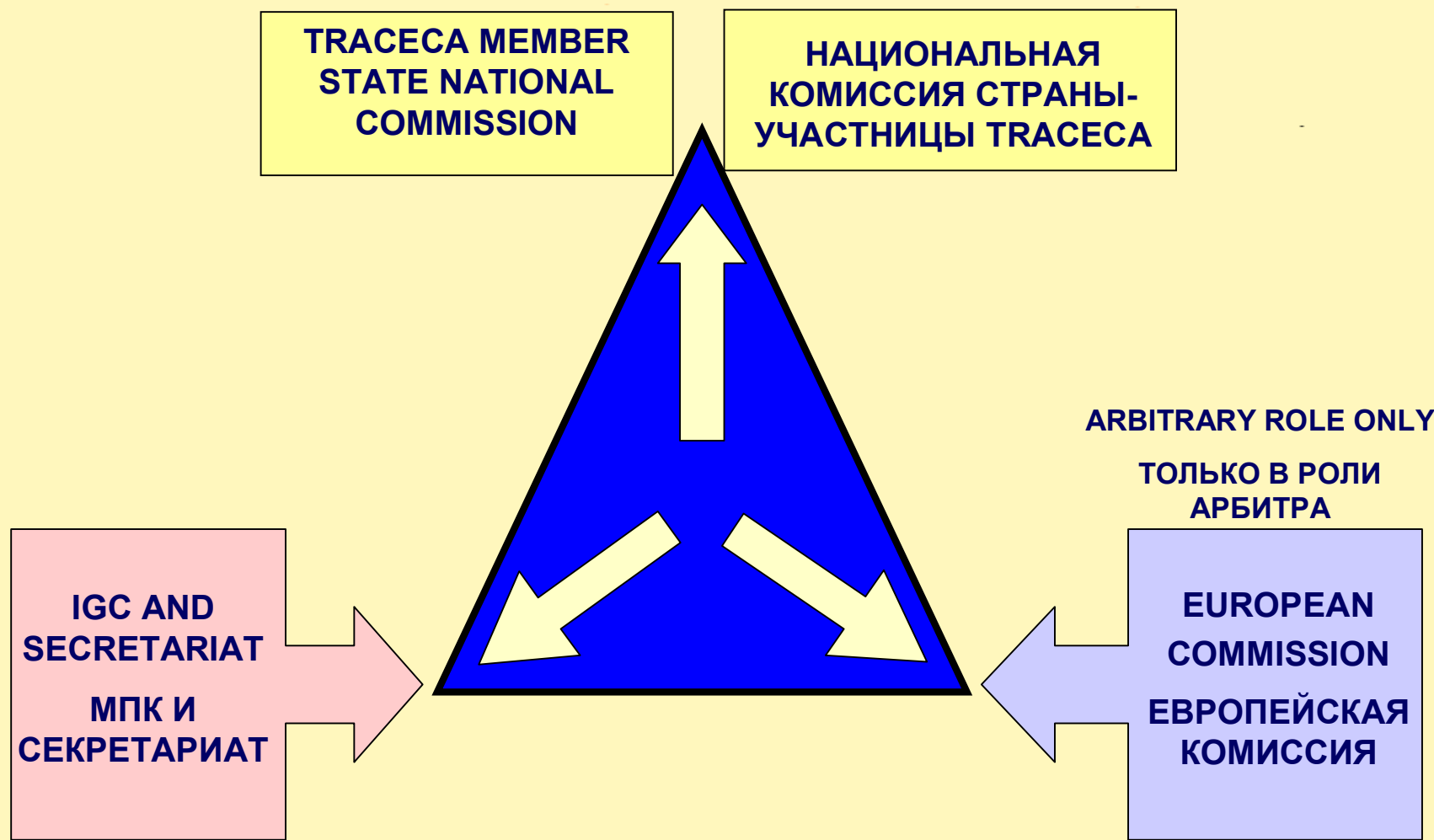
11. WHAT CAN TRACECA EXPECT FROM NATIONAL SECRETARIES?

ЧТО МОЖЕТ ОЖИДАТЬ TRACECA ОТ НАЦИОНАЛЬНЫХ СЕКРЕТАРЕЙ?

- THE CRITERION FOR NATIONAL SECRETARIES WAS DEFINED IN THE DECEMBER REPORT OF THE HBCP PROJECT AND CONCLUDED THAT PART OF THEIR OVERALL PROFESSIONALISM MUST INCLUDE AN AWARENESS OF TRADE FACILITATION.

В ДЕКАБРЬСКИЙ ОТЧЕТ ПРОЕКТА ГППГ БЫЛИ ВКЛЮЧЕНЫ КРИТЕРИИ ДЛЯ НАЦИОНАЛЬНЫХ СЕКРЕТАРЕЙ, А ТАКЖЕ ТО, ЧТО ОПРЕДЕЛЕНИЕ ПРОФЕССИОНАЛИЗМА НАЦИОНАЛЬНЫХ СЕКРЕТАРЕЙ ДОЛЖНО ВКЛЮЧАТЬ В СЕБЯ ОСВЕДОМЛЕННОСТЬ О ДЕЙСТВИЯХ ПО РАЗВИТИЮ ТОРГОВЛИ.

12. WHO SHOULD SELECT NATIONAL SECRETARIES? КЕМ ДОЛЖНЫ ВЫБИРАТЬСЯ НАЦИОНАЛЬНЫЕ СЕКРЕТАРИ?



**13. THE FUTURE OF TRACECA IS PRIMARILY IN THE HANDS
OF THE NATIONAL SECRETARIES**

**БУДУЩЕЕ TRACECA ГЛАВНЫМ ОБРАЗОМ НАХОДИТСЯ В
РУКАХ НАЦИОНАЛЬНЫХ СЕКРЕТАРЕЙ**

**THEY MUST CONTINUE THIS WORK WITH A POSITIVE
APPROACH AND NOT THINK 'HOW IT CANNOT BE DONE' BUT
THAT 'IT CAN BE DONE'**

**ИМИ ДОЛЖНА БЫТЬ ПРОДОЛЖЕНА РАБОТА В
ПОЗИТИВНОМ РУСЛЕ И ВМЕСТО ТОГО, ЧТОБЫ ДУМАТЬ,
«ЧТО ЭТО НЕВОЗМОЖНО СДЕЛАТЬ», ДУМАТЬ «ЧТО ЭТО
ВОЗМОЖНО СДЕЛАТЬ»**

TABLE OF CONTENTS

1.0

- 1.1 Introduction
- 1.2 IGC and National Secretaries
- 1.3 Working Groups
- 1.4 Working Groups ToR

2.0

TABLES - LISTS

- 2.1 Awareness Training Material
- 2.2 CWG's Indicative Progress Synopsis Table

1.1 Introduction

During the Project progress, it has become increasingly obvious that the role of the IGC and the National Secretaries is vital to the sustainability of the TRACECA structure when related to current and future Trade Facilitation.

It has also been found that there is, in many cases, a conflict of interests for National Secretaries (NS) whereby they are involved in other tasks that take their time and resources away from the function of the post of NS or they are not given full support and authority by their own ministries and governments. The perceived future role of the National Secretaries will have much wider scope and broader responsibilities.

1.2 IGC and National Secretaries

It is foreseen that the three current Projects of Borders Harmonisation, Transit Fees and Tariffs and Common Legal Basis will be the fundamental platform on which regular National Working Groups will be held. The current Customs Working Groups, held under the Borders Harmonisation, will evolve into a three dimensional Working Group to support Trade Facilitation under the Chairmanship of the NS.

It is imperative that this evolving role of National Secretaries is tied very effectively to a close interface with the Secretary General and the IGC to ensure regional synergy.

It is also imperative that the National Secretaries have sufficient authority, funding, resources and support from their National Commissions to carry out their function in an efficient and effective manner. Without this support, the National Secretaries will not be able to carry forward the recommendations of the three Projects, the Coordination Team or other relevant entities.

The criteria for National Secretaries was recorded in the Project First Progress Report and due to its importance is repeated below:

There must be a process, whereby the National Secretary has sufficient authority and perhaps more important, easy access to the senior members of their respective Governments so that recommendations can be processed and implemented.

The post of National Secretary must be filled by persons who are professionals in transport, have excellent management skills, are computer literate and are seriously interested in carrying forward the aims of TRACECA for their own country and the other member states.

There must be a strict and active process of two-way information dissemination between the IGC and the National Secretaries. In the case of CWG's, there must be a transfer of meeting protocol information, to the IGC, that concerns aspects of Borders Harmonisation. In particular, information that concerns TRACECA as a whole providing that this information is not of a sensitive national nature.

It is vital that the structure of the CWG's is fully representative of both the Government and Private sectors. This combination of both public and private entities will act as a catalyst to

Border Harmonisation but it is important that the CWG's do not become a 'fight arena' for complaints from either side. However, there should always be room for constructive criticism that may give examples of negative Border Harmonisation and Trade Facilitation.

1.3 Working Groups.

“The future success of TRACECA, as a viable functioning Transport Corridor, will be greatly influenced by the establishment of professional TRACECA National Secretaries who understand the full meaning of Trade Facilitation and who have the authority to influence change at Government level”

HBCP Project Management – September 2002.

The Project Activity of establishing Working Groups, under the Chairmanship of the National Secretaries and orientating those current Customs Working Groups (CWG's) towards becoming Trade Facilitation Working Groups is of paramount importance. There are now three related Projects that were designed and recommended by the consensus of the TRACECA member states that can create a realistic platform to develop a solid institutional structure of TRACECA for the future. To this end we intend to involve the current three projects progressively into the Working Groups.

This would mean that there would be one Chairman (NS) but three distinct but interfacing groups with possibly having some of the same group members but focusing on different themes:

- Borders Harmonisation
- Tariffs and Transit Fees
- Common Legal Basis.

As the Common Legal Basis Project has started and will be partly involved in the review of the Multilateral Agreement, there is an opportunity to request them to address the official change of title of the Customs Working Group to Trade Facilitation Working Group. The strategy for this change is to create a platform for Trade Facilitation discussion that will be sustained after the projects are completed (sustainability) Also part of the strategy is to build the institutional capability of the IGC and the National Secretaries of TRACECA for the future.

There was already an announcement of the proposed direction at the Roads Working Group held in Baku by the Tariffs Project and this theme was also introduced into the Customs Working Group documents. The TRACECA Coordination Team is preparing a 'Policy Discussion Paper' for circulation.

Sustainability is one of the most important factors of all three Projects and this combined strategy can serve as a catalyst to the continuation of the Project work within the Working Groups.

Extracts from the proposed Policy Discussion Paper for early evaluation.

Institutional Mechanism

(a) It should be noted that there is already established an Institutional Mechanism within the TRACECA Institutional Framework. This framework is structured under the TRACECA IGC, Member State National Commissions and the respective National Secretaries.

(b) The National Secretaries, in each Member State, are Chairmen of the Trade Facilitation Working Group that is currently designated 'Customs Working Group' (CWG's) in accordance with the TRACECA Multilateral Agreement (MLA).

(c) These Working Groups will be responsible for carrying forward the work carried out by the three TRACECA Institutional Projects, which are:

- Harmonisation of Border Crossing Procedure
- Unified Policy on Transit Fees and Tariffs
- Common Legal Basis

(d) Initially there will be consolidated Modal Working Groups held in the IGC Baku where the focus will be on a common basis and agreements to enable the various discussions to move forward at National and Regional level.

(e) Each of the National Trade Facilitation Working Groups (TFWG's), under the Chairmanship of the TRACECA National Secretary, will undertake meetings with each of the relevant groups encompassed within the sectors of the three TRACECA Projects.

(f) Therefore, all activities resulting from the IGC Baku Working Groups and Seminars should be addressed to the TRACECA National Secretaries in the respective Member States.

(g) Additionally, the IGC and relevant Project Experts are available for any queries or advice but this should be, where possible, carried out through the National Secretaries.

1.4 Working Group Terms of Reference (CWG-ToR)

The CWG-ToR is currently being redesigned so that there is a set of specific guidelines to formulate and carry out the functions, enhanced activities and responsibilities of the adaptation of CWG's into TFWG's. These new guidelines will be developed in close cooperation of the TRACECA IGC, Coordination Team and the Project Experts. The CWG-ToR will be finalised and presented to the IGC for approval at the end of January 2003.

TABLES - LISTS

- Awareness Training Material
- CWG's Indicative Progress Synopsis Table

TRACECA National Secretaries

Working Groups Awareness Training Material

MODERN INTERNATIONAL BORDER HARMONISATION PRACTICES

Contents List:

Issue 1 – October 2002

Case Studies:

- **Latvian experience**
- **Croatia – Pilot Scheme**

Discussion Papers

- **New Export System (NES) of UK**
- **Blueprint for Europe Customs Future**

Issue 2 – November 2002

Discussion Papers:

- **Customs Information Technology**
- **Trade Facilitation**
- **International Conventions**
- **Table – Status of Conventions as of September 2002**

Issue 3 – December 2002

Case Studies:

- **Integrated Border Management (IBM) – (America / Canada)**

Discussion Papers:

- **‘A Convenient Frontier’**
- **Description of World Customs Organisation**
- **Revised Kyoto Convention – Frequently Asked Questions**

Annex 12



RULES OF PROCEDURE OF THE INTERGOVERNMENTAL COMMISSION TRACECA

RULE 1 Application

These Rules of Procedure shall apply to all activities of the Intergovernmental Commission TRACECA, (IGC), as defined in Article 8 of the MLA.

RULE 2 Definitions

The abbreviations and expressions defined below shall bear the same meaning when used in other statute and official documents issued or approved by the IGC, including but not limited to the Statute of the PS. In all texts issued by the IGC, unless otherwise specified, the use of the masculine gender includes the feminine and the use of the singular includes the plural and vice versa.

‘MLA’ means the Basic Multilateral Agreement on International Transport for Development of the Corridor Europe - the Caucasus – Asia, signed September 8, 1998 in Baky, Republic of Azerbaijan, as modified from time to time and includes its Technical Annexes from time to time in force;

“PARTIES” means the states-participants of the MLA;

“IGC” means the Intergovernmental Commission for the Transport Corridor Europe-the Caucasus-Asia “TRACECA”;

“PRESIDING-PARTY” means the State-Participant, which assumes the Chairmanship of the IGC for a one-year term;

“CHAIRMAN-IN-OFFICE” means the Head of Delegation of the Party, which assumes the Chairmanship of the IGC or any other High Official designated for this purpose by the Government of that Party;

“PS” means the Permanent Secretariat of the IGC;

“WG” means Working Groups, established by the IGC upon proposals made by the PS.

RULE 3

Scope

3.1. The IGC was established by the MLA to regulate the issues regarding the implementation and the application of provisions of the MLA.

3.2. The IGC functions as a Meeting of representatives of the Highest Governmental Authorities of the Parties or their authorized representatives. Any representative, one for each Party, shall be nominated by the Government of that Party with full authority to make decisions for the purposes of the MLA.

3.3 Exceptionally, Parties may arrange to be represented by another Party. No Party may, however, represent more than [one] *other Party.

3.4. Exceptionally, the IGC upon proposal of the PS can also invite representatives from Regional Economic Integration Organisations, including the European Union, and representatives from international organisations concerned with international transport matters to attend Meetings of the IGC.

3.5 The IGC is not a legal body.

3.6 The MLA provided for the establishment of the PS, which is registered in Baky, Republic of Azerbaijan, as a body with international legal personality, functioning according to its own Statute being at the disposal of the IGC in order to implement the Decisions and Recommendations of the IGC.**

3.7 Each Party shall ensure the conformity of its Laws, Regulations and Administrative Procedures in International Transport with its obligations under the MLA.

RULE 4

Purposes

4.1 The purposes of the IGC are to promote the objectives of the MLA, facilitate the application of its provisions and to supervise its implementation through the PS. In order to fulfil its mission it requests the PS to carry out the following tasks, employing for that purposes WG established for international road transport, railway transport, commercial maritime navigation, customs and documentation procedures and other fields of international transport as defined in the MLA:

4.1.1 to identify problems linked to the implementation of the MLA and undertake studies to reach solutions and propose to the Parties the measures needed to achieve efficient implementation of the MLA;

4.1.2. to provide upon request of the Parties its assistance and consulting services on all relevant draft laws and regulations elaborated in accordance with the MLA to implement Decisions and Recommendations of the IGC;

4.1.3. to provide upon request of the Parties its assistance and consulting services in their relations with relevant international organisations;

* Number of countries in the article 3.3 is still under discussion.

** Article 3.6 is still under discussion, because the Statute of the PS is not yet agreed.

- 4.1.4 to develop conciliation, mediation and arbitration services as methods of settling disputes arising in the context of international economic relations, in accordance with Article 12 of the MLA;
- 4.1.5 to develop and co-ordinate the activities of National Trade Facilitation Working Groups which have been organised by the National Commissions in each Party.
- 4.2. It shall propose study and approve projects within the framework of the MLA.
- 4.3. It shall issue a yearly assessment report on the work carried out in relation to the implementation of the provisions of the MLA and the further measures that need to be taken.

RULE 5

Budget

The annual budget of the PS and its Permanent Representations and Working Groups within the framework of MLA will be proposed by the PS, approved by the Governments of the Parties and managed by the PS.

RULE 6

Meetings

- 6.1 The IGC shall meet regularly, not less than once a year in accordance with Article 8 of the MLA.
- 6.2. The Chairmanship of the IGC shall rotate every year, according to the English alphabetical order. If a Party is not prepared to assume the Chairmanship, the Chairmanship shall go to the subsequent Party, according to the same alphabetical order.
- 6.3. Meetings shall be chaired by the Chairman-in-Office.
- 6.4. The draft agenda prepared by the PS shall be discussed and adopted during the Meeting. The draft agenda, any draft documents and the invitation to a Meeting shall be communicated by the PS to the Parties at least forty days before the Meeting by fax or e-mail. At the opening of the Meeting a new item may be included in the Agenda by consensus.

RULE 7

Decisions and Recommendations of the IGC

The IGC formulates Decisions, which are binding on the Parties, and formulates Recommendations presented to the Parties for adoption, related to subjects listed in Articles 3 and 8 of the MLA.

RULE 8

Consensus and Quorum

8.1 All decisions of the IGC are taken by consensus.

8.2. The IGC shall not meet unless a minimum of two-thirds of the Parties are present or represented. The decisions taken in Meetings duly convened are binding for the absent Parties.

RULE 9

Working Groups

9.1. Upon proposals made by the PS the IGC may establish WG, which shall work on questions related to international road transport, railway transport, commercial maritime navigation, customs and documentation procedures and other relevant matters in accordance with the MLA.

9.2. Subject to approval by the IGC, the WG may establish their own Rules of Procedure with the assistance of the PS. They shall report quarterly to the PS on the results of their work.

9.3 WG shall prepare proposals and drafts for consideration by the IGC.

RULE 10

Languages

11.1 English and Russian shall be both the official and the working languages of the IGC, the WG and the PS.

11.2 Speeches made and documents submitted in either of the two languages shall be interpreted into the other one.

Annex 13



Preamble, Articles 1, 2, 3.
1-WG / FD-6/ 24/01/03 / Page 1(5)
Original : ENG

Appendix 5

STATUTE OF THE PERMANENT SECRETARIAT OF THE INTERGOVERNMENTAL COMMISSION TRACECA (Draft)

- WHEREAS, the Parties to the Basic Multilateral Agreement on International Transport for Development of the Europe-the Caucasus-Asia Corridor, signed in Baky, Republic of Azerbaijan, on September 8, 1998 (hereinafter referred to as “the MLA”), with the assistance of the European Union,
- WHEREAS the MLA also provided for the establishment of a Permanent Secretariat, registered in Baky, Republic of Azerbaijan, as a body with international legal personality in order to implement the actions designated by the IGC and the IGC also adopted the Statute of the Permanent Secretariat, during its First Annual Conference in Tbilisi, on March 11, 2000, which was complemented during the Second Annual Conference in Tashkent on April 25, 2002,
- DETERMINED to entrust to the Permanent Secretariat all powers necessary in order to fulfill all practical and administrative tasks demanded by its missions as defined by the MLA.

NOW THEREFORE on September_____ 2003, during its Third Annual Meeting the IGC has revised the Statute of the Permanent Secretariat and agreed to adopt it as set out below:

CHAPTER I

PRIMARY ARTICLES

ARTICLE 1

Definitions

1.1 For the purpose of this Statute:

“MLA” means the Basic Multilateral Agreement on International Transport for Development of the Corridor Europe - the Caucasus – Asia, signed September 8, 1998 in Baky, Republic of Azerbaijan;

“PARTIES” means the States-participants of the MLA.

“ASSOCIATE MEMBER” means a Regional Economic Integration Organization, which may accede to the MLA as associate;

“IGC” means the Intergovernmental Commission of the Transport Corridor Europe-the Caucasus-Asia “TRACECA”;

“PRESIDING PARTY” means the Party, which assumes the Chairmanship of the IGC for one-year term.

“CHAIRMAN-IN-OFFICE” means the Head of Delegation of the Party, which assumes the Chairmanship of the IGC or any other High Official designated for this purpose by the Government of that Party.

“PS” means the Permanent Secretariat of the IGC.

“WG” means Working Groups, established by the IGC upon proposals made by the PS.

“SECRETARY-GENERAL” means the Secretary-General of the PS.

“EXECUTIVE SECRETARY” means Executive Secretary of the PS.

“PERMANENT REPRESENTATIONS OF PS” means the Permanent Representations of the PS maintained in each Party.

“NATIONAL SECRETARY” means the head of the Permanent Representation of PS in each Party.*

*Definition of the National Secretary will be finalized in parallel with the Statute of the PS

“STAFF MEMBERS” and/or “EXPERTS” mean the persons holding a fixed-term appointment or other position in the PS.

1.2. The abbreviations and expressions defined below shall bear the same meaning when used in other statute and official documents issued or approved by the IGC, including but not limited to the Statute of the PS. In all texts issued by the IGC, unless otherwise specified, the use of the masculine gender includes the feminine and the use of the singular includes the plural and vice versa.

ARTICLE 2

Purposes

The purpose of the PS shall be to implement all practical and administrative operations requested by the IGC and all Decisions and Recommendations made by IGC in accordance with the IGC Rules of Procedure.

2.1 In particular the PS is entrusted with the following tasks employing for that purpose WG established for international road transport, railway transport, commercial maritime navigation, customs and documentation procedures and other fields of international transport as defined in the MLA:

- 2.1.1 to identify problems linked to the implementation of the MLA and undertake studies to reach solutions and propose to the Parties the measures needed to achieve efficient implementation of the MLA
- 2.1.2 to provide upon request of the Parties its assistance and consulting services on all relevant draft laws and regulations elaborated in accordance with the MLA to implement Decisions and Recommendations of the IGC related to the MLA;
- 2.1.3 to provide upon request of the Parties its assistance and consulting services in their relations with relevant international organisations.
- 2.1.4 to develop and co-ordinate the activities of National Trade Facilitation WG, which have been organised by the National Commissions in each Party.

2.2 The PS carries out the following functions:

- a) makes arrangements for the meetings of the IGC and its WG established under the MLA and provides the meetings with administrative and technical services as required;
- b) attends to other relevant meetings
- c) prepares drafts and circulates the IGC documents made available by the Parties;
- d) carries out correspondence pertaining to secretarial services;
- e) maintains the archives and documentation of the IGC;
- f) studies the problems that the IGC charged it with and provides recommendations;

- g) manages the information flow and provides information regarding the IGC, when needed, to the Parties and to third parties;
- h) puts forward appropriate proposals to the IGC for any amendments and changes to the MLA as well as adoption of new technical annexes to the MLA;
- i) carries out its internal operations, such as:
 - Elaboration of the yearly action plan;
 - Coordination with the WG / National Commissions.
- j) prepares Progress Reports on its activities for submission to the IGC;
- k) manages its budget by:
 - Preparing the annual report,
 - Implementing the budget once adopted,
- l) monitors and facilitates in achieving progress in the elaboration and implementation of projects and programs of common interest;
- m) conducts consultations with the Parties, Associate members and WG;
- n) maintains dialogue with international organisations and third countries under mandate given by the IGC;
- o) recruits staff and hires consultants and experts;
- p) carries out other functions and tasks with the approval of the IGC.

ARTICLE 3

Management

- 3.1 The PS is managed by the Secretary-General, who is the Chief Executive Officer of the PS, and by the Executive Secretary, who manages the daily administrative tasks of the PS.
- 3.2 The Secretary-General and the Executive Secretary conduct their duties in accordance with the MLA, the present Statutes and the Rules of Procedure of the IGC and the decisions and recommendations, issued by the IGC.
- 3.3 The Secretary-General is elected by the IGC by consensus, among the candidates proposed by the newly elected Presiding Party for the term of its Chairmanship. The election takes place during the Annual Meeting of the IGC. If appropriate or necessary, the term of duties of the Secretary-General can be prolonged but not beyond the second Annual Meeting of the IGC following his/her election. The Secretary-General can be dismissed by a decision of the IGC.
- 3.4 The Executive Secretary is elected by the IGC by consensus among the candidates of any Party, for a three-year term. The election takes place during the Annual Meeting of the IGC. The Executive Secretary can be re-elected no more than once. He can be dismissed by a decision of the IGC.
 - 3.4.1 The Secretary-General and the Executive Secretary shall be national of any Party.

3.5 The Secretary-General:

- Directs the tasks of the PS, according to Article 2 of the present Statute;
- Coordinates the activities of the National Secretaries in the framework of the MLA and takes measures pertaining to the implementation of all decisions of the IGC;
- Introduces and develops initiatives of the Presiding Party;
- Studies tasks and realises decisions and resolutions on problems, with which IGC has charged the PS;
- Promotes deepening and expansion of cooperation between the Parties in the framework of the MLA;
- Supports relations with the Depository of the MLA and with international organisations;
- Speaks for the PS, represents the PS to third parties.
- May function as Chairman of Meetings of the WG;

3.6 The Executive Secretary:

- Manages the daily administrative tasks of the PS;
- Provides internal organisation of all sessions and meetings in the framework of the MLA, including meetings of the IGC and its WG for the maintenance and qualitative preparation of the above stated actions;
- Organises preparation and distribution of the information issued by PS among the Parties;
- Makes together with experts examination of projects for representation to the Secretary-General and further to the IGC;
- Supervises the work for the updating of the web-site and the ordering and updating of the technical library in the PS;
- Provides the exchange of appropriate information with the Depository of the MLA and with international organisations;
- Prepares the draft of the core budget of the PS;
- Represents the PS in the absence of the Secretary-General from the country of Seat of the PS and on other occasions with the approval of the Secretary-General or the IGC.
- May Function as Chairman of Meetings of the WG with the approval of the Secretary-General;

3.7 Conducting any private business and holding any active public position shall not be compatible with the position of Secretary-General and Executive Secretary.

3.8 The Secretary General and Executive Secretary shall not interfere in the political affairs of the Parties. No Party shall influence them in the performance of their functions.

3.9 In order to fulfil their functions the Secretary-General and the Executive Secretary may request the assistance of and appoint Experts by mutual decision.

* * *

Annex 14

**MINUTES OF THE MEETING
OF THE TRACECA NATIONAL SECRETARIES
AND LEGAL EXPERTS
(Working Groups)
Baku/Azerbaijan Republic
23-24 January 2003**

JOINT MEETING OF NATIONAL SECRETARIES AND LAWYERS

Welcome address

By Mr. Abdurashid Tagirov – Secretary General of the Permanent Secretariat of IGC TRACECA

Welcome address

By H.E. Dr. Mercouiros B. Karafotias – Ambassador Extraordinary and Plenipotentiary of Hellenic Republic in Azerbaijan Republic

Participants

The National Secretaries and Legal Experts of Armenia, Azerbaijan, Bulgaria, Georgia, Kazakhstan, Kyrgyzstan, Tajikistan, Turkey and Ukraine. Uzbekistan: Romania was represented by the Counsellor of the Embassy of Romania in Azerbaijan Republic, Uzbekistan was represented by Mr. Kuanyshbek B. Urazbayev, First Secretary of the Embassy of Uzbekistan in Azerbaijan Republic. Complete list is attached hereto (see Appendix 2).

Chair: Mr. Abdurashid Tagirov – Secretary General of the PS IGC TRACECA
Co-Chair: Amb. Zviad Kvatchantiradze – Executive General of the PS IGC TRACECA

Chairman: Adoption of the proposed Agenda (see Appendix 1)

TOP 1: REGIONAL PROJECTS

Mr. Ranger – Information on the progress of TRACECA projects “Harmonization of Border Crossing Procedures” and “Unified Policy for Transit Fees and Tariffs” in the member-states. Power Point Presentation of the Trade Facilitation Concept. Establishment of ‘Trade Facilitation Working Groups’ within each Member State with National Secretaries as Chairmen of the WG (Presentation is attached).

Mr. Lamnidis – Welcome address to participants. Presentation of “Common Legal Basis for Transit Transportation”, as a Team Leader of the project.

Mr. Turdzeladze - Power Point Presentation of the project “Common Legal Basis for Transit Transportation”. Information on the future work within the project: timing, location, organizational structure, main tasks and objectives (Presentation is attached).

Mr. Graille – Welcomes the participants. Distributes TRACECA brochures. All comments are Welcomed. Information on ongoing TRACECA projects (List of projects is attached).

Mr. Kvatchantiradze – Presentation of the new versions of “Rules of Procedures of IGC” and “Statute of The Permanent Secretariat of IGC TRACECA”, worked out by PS IGC TRACECA in cooperation with the experts of “Common Legal Basis for Transit Transportation”, on the basis of Basic Agreement. All comments from the National Secretaries, submitted before the deadline (January 15, 2003) were considered. Comments from Kazakhstan and Armenia, received in the day of the meeting, were not considered.

The documents has to be discussed first at the meeting of legal experts, chaired by Executive Secretary

And further submitted to the National Secretaries.

Expected results: adoption of the documents in the first reading and coming up with the final versions to be further discussed at a higher level.

NATIONAL SECRETARIES MEETING (2nd Floor Conference room)

Chairman - Mr. Abdurashid TAGIROV, Secretary-General of the Permanent Secretariat of the IGC TRACECA

TOP 2: THE ROLE OF THE NATIONAL SECRETARIES; COMMUNICATIONS OF THE PARTIES ON IMPLEMENTATION OF THE DECISIONS OF THE 2ND IGC TRACECA ANNUAL MEETING (TASHKENT, APRIL 24-25, 2002)

The WG acknowledged the work done by the National Secretaries on implementation of decisions of the Second Annual Meeting of IGC TRACECA (Tashkent, April 24-25, 2002), and noted the progress of TRACECA projects: «Harmonization of Border Crossing Procedures», «Unified Policy on Transit Fees and tariffs» and «Common legal Basis for Transit Transportation».

TOP 3: PROPOSALS FOR FUTURE IGC TRACECA BUSINESS PLAN

Mr. Tagirov: Presentation of the Proposal on the system of jointly financing of the work of the Permanent Secretariat of the IGC TRACECA, elaborated by PS and EC experts in accordance with p. 3, Article 9 of «Basic Multilateral Agreement». (The first draft was elaborated by Mr. Romanini and submitted to NS at the Working Group in Varna, March 21-22, 2001).

Share of each Party is calculated in accordance with GNI (Gross National Income) per capita, on the basis of World Bank Data. Minimum contribution per Party - 4 %, ceiling - 15 %. The total budget of 600 000 Euro includes expenses of the Permanent Secretariat of IGC TRACECA: staff, organization of three Working Groups, Annual Meeting of IGC TRACECA, purchase of equipment, reconstruction of Baku Office; indemnities and office-expenses of National Secretaries (see Appendix 3).

Armenia: Full support to the proposal.

Azerbaijan: Full support to the proposal.

Bulgaria: Doesn't support the proposal. Suggested that contribution of each Party has to be calculated on the basis of the number and budget of the projects, implemented in the member-states.

Georgia: Full support to the proposal. Necessary to clarify positions of the Parties with higher contribution rates (Turkey, Bulgaria and Romania).

Kazakhstan: Full support to the proposal.

Kyrgyzstan: Suggested to split expenses of PS with indemnities and office expenses of National Secretaries. Final version has to contain a single table with all expenses planned for the period.

Moldova: Full support to the proposal. Proposed to name the document as "Draft Proposal".

Romania: Due to the absence of National Secretary, the Party is provided with a 3-days period to clarify its position.

Tajikistan: Full support to the proposal.

Turkey: Support to the proposal. Proposed to check World Bank data.

Ukraine: Suggested that the proposal has to be included in Recommendations and Decisions of the WG as follows:

“WG agrees with the proposal on on the system of jointly financing of the work of the Permanent Secretariat and National Secretaries and requests the Chairman to forward this proposal to the Parties of MLA for further consideration and adoption”.

Uzbekistan: Full support to the proposal.

Mr. Graille: Position of Bulgaria is totally unacceptable. Proposed to organize a mission of PS representatives to Sofia, with assistance from Bulgarian National Secretary, in order to discuss this issue at a higher level.

Mr. Tagirov: Suggested that Bulgarian NS should adopt the Proposal with reservation.

Bulgaria: Refused to adopt the Proposal.

Results of discussions were included in Recommendations and Decisions of the WG.

Mr. Spenhoff: Presentation of the proposal on establishment of Trade Facilitation Working Groups (Presentation is attached).

TOP 4 : OTHER BUSINESSES AND COMMUNICATIONS

Mr. Graille:

Financial matters - there's e green light from European Commission concerning financing of PS and NS up to June 2004.

Tasks of National Secretaries for the future period: 1) define the members of Trade Facilitation Working Groups before the end of February, 2) submit the proposals on the system of jointly financing of PS IGC TRACECA, 3) monthly reporting to the Secretary General on the activity of National Secretariats and TRACECA National Commissions.

Next Working Group of National Secretaries and Legal Experts – has to be organized before the end of June 2003 (expecting proposals for a date from National Secretaries).

The Third Annual Meeting in Yerevan – approximately, in the end of September, exact date will be defined in February. As usual, the first day – Working Group of National Secretaries, the second and the third days – the Conference.

Mr. Grigoryan: Proposed date – last week of September 2003. Armenia is waiting for the confirmation from European Commission to send official invitations to the delegates. Still no response to the letter from Mr. Manukyan, Minister of Transport and Communications of Armenia, addressed to Mr. Dalamangas, Task Manager of TRACECA Programme.

TRACECA Summit – still no decision has been taken (approximately, November – December 2003). Exact date is to be defined in the end of March 2003, after “Troika” Mission to the South Caucasus. Negotiating with Georgia.

Forthcoming events:

1) “Caspian and Black Sea Transport Conference” in Istanbul, Turkey (26-28 February 2003);

The Secretary General and Mr. Graille will participate. Need to keep a close contact with the Turkish National Secretary;

2) “TransCaspian” Conference in Baku (May 2003), to be prepared in close cooperation with Azeri National Secretary;

3) Transport Conference in Odessa (11-13 June 2003).

TRACECA is going to participate and have speeches at all of these Conferences

Turkey: proposal to establish a special Hot Line for National Secretaries for keeping a permanent contact and solving problems.

Mr. Graille: there are no any communication problems between the National Secretaries, except in Tajikistan, which missed the opportunity to have finance for equipment. Promised to find a solution to the problem within the current project “TRACECA Coordination Team”. The Coordinator for Central Asia will contact Tajik National Secretary to discuss this issue next week.

LEGAL EXPERTS MEETING (1st Floor Conference room)

Chairman - Ambassador Zviad KVATCHANTIRADZE, Executive Secretary of the Permanent Secretariat of the IGC TRACECA

TOP 5 : RULES OF PROCEDURE OF THE IGC TRACECA

Note: The Meeting considered the draft, elaborated by the PS and the experts of the CLBTT Project upon the version distributed to the NSs prior to the Meeting, which included the modifications and additions made after that. Therefore, “submission by PS” means both newly modified/amended clauses and distributed to the NSs.

Azerbaijan: request to the Chairman (Mr. Zviad Kvachantiradze, Executive Secretary of the PS) to give reasons for adoption of new Rules of Procedures of the IGC TRACECA and the Statutes of the Permanent Secretariat of IGC TRACECA.

Mr. Kvatchantiradze: the two reasons are: necessity to give a relevant status to the PS to make it an organ of the IGC TRACECA with international legal personality; to provide legal basis for the future jointly financing of the Permanent Secretariat.

Ukraine: proposed to exclude the Preamble in the Rules of Procedure.

Mr. Lamnidis: the Preamble includes very important statements. Suggested to move the preamble part to the Recommendations and Decisions of the Working Group as a draft Decision of the up-coming IGC Annual Meeting.

The definition "State-Parties" to be amended to read "Parties" throughout the texts of the Rules of Procedure and the Statutes of the PS.

Azerbaijan: requested to replace "Baku" with "Baky" .

Noted by the Chairman with due amendments in the Drafts.

Rule 1

Agreed as submitted by the PS.

Rule 2 Definitions

Newly included Para 1 agreed as submitted by the PS.

Para 2 agreed as submitted by the PS

The definition of the Associate Member to be deleted, as no reference is made anywhere in the Rules of Procedure.

Paras 5,6 agreed as submitted by the PS

Definition "Members of the IGC" to be deleted

Paras 7,8 agreed as submitted by the PS

Definitions LWG and NWG to be deleted

Rule 3

Clause 3.1 was agreed as submitted by the PS. The wording "International Treaty" was changed to "the MLA".

Clause 3.2. agreed as submitted by the PS.

In Clause 3.3 the wording "...represent more than two other Parties" changed to read "represent more than [one] other Party" The brackets mean subject to further consultations.

Clause 3.4. agreed as submitted by the PS.

Clause 3.5. agreed as submitted by the PS.

Clause 3.6 was subject of vigorous discussions of the Parties.

Ukraine: IGC is not an international organization and therefore PS may not become an organ with legal personality.

Azerbaijan: in accordance with the MLA and the Headquarters Agreement, "the Government does affirm the international legal personality and legal capacity of the PS of IGC TRACECA".

Ukraine: this has meaning within Azerbaijan, but may not apply internationally.

Armenia: the assignment of the status of the international organization to PS IGC is favorable, but this would need amendments in the MLA, because the MLA does not give legal grounds for this.

Ukraine: there is no such restriction in its mandate. However, when signing MLA Ukraine's understanding was that the Permanent Secretariat is not to become neither an international organization, nor an organ with international legal personality.

Bulgaria: its mandate does preclude her from creating legal grounds for establishment of an international organization or an organ of the IGC with an international legal personality. Bulgaria Party explained this was an oral reservation of the Bulgarian at the moment of signing of the MLA.

All other Parties expressed their will to assign sufficient powers to the PS to become an international organization.

The discussions resembled into consensus to keep Clause 3.6 as submitted by the PS, in brackets.

Rule 4

Clause 4.1.4 on conciliation, mediation and arbitration services caused active discussions of the Parties. The Ukrainian Party declared assignment of such rights to the PS contradicts with its scope of authority under the MLA. Other parties agreed development of these methods of settlement of disputes would be a benefit for all the Parties involved. The Keynote speaker noted that this will be followed-up by the project activities by means of drafting specific Annex to MLA on conciliation, mediation and arbitration methods, which will be consequently submitted to the Parties.

Parties reached consensus to keep the Clause as submitted by the PS.

Rules 5 to 9 agreed as submitted by the PS with few exceptions related to the English wording of the context.

Rule 10

Motion from Ukrainian Party to delete the Rule 10 on the Permanent Secretariat as it repeats the provisions of the Statutes of the Permanent Secretariat of IGC TRACECA.

Parties agreed to delete the Rule 10.

Rule 11 “Languages” to become **Rule 10** of the newly agreed document.

Discussion on the text of Preamble, which will be deleted from the Rules of Procedure to constitute the part of Draft Decision of the IGC:

In Para 2 the wording “...has entered into force in all Parties...” to be amended to read “...has entered into force in respect of all Parties...”

Para 5 to be amended to read: “WHEREAS the MLA also provided for the establishment of a Permanent Secretariat registered in Baky, Republic of Azerbaijan, as a body with international legal personality”

In Para 6 the wording “...the Parties are implementing international Convention such as...” has to be amended to read “...the Parties are examining the implementation or implementing international Conventions such as...”

TOP 6: STATUTE OF THE PERMANENT SECRETARIAT OF THE INTERGOVERNMENTAL COMMISSION TRACECA

Concerning the text of Preamble the Parties agreed to keep only paragraphs 1, 5, 7 and 8 with remarks of the representatives of the Republic of Azerbaijan and Ukraine. Specifically the Parties agreed to define that MLA was “signed in Baky, Republic of Azerbaijan” (in article 1 Definitions as well) and the Permanent Secretariat was “registered in Baky, Republic of Azerbaijan, as a body with international legal personality”.

Chapter 1

Article 1 Definitions

Definitions “Members of the IGC”, “LWG”, “National LWG” to be deleted

In definition "Permanent Representations of PS" Parties agreed to delete words "headed by the National Secretary"

Definition "National Secretary" was decided to put in brackets and to finalize in parallel with the Statute of the PS

Other Paras agreed as submitted by the PS

To supplement article with the Clause:

"1.2. The abbreviations and expressions defined below shall bear the same meaning when used in other statute and official documents issued or approved by the IGC, including but not limited to the Statute of the PS. In all texts issued by the IGC, unless otherwise specified, the use of the masculine gender includes the feminine and the use of the singular includes the plural and vice versa."

Article 2 Purposes

Clause 2.1.4 The Parties found this clause contradictive to the provisions of the MLA. The representative of the Republic of Tajikistan requested the Chairman to note the reservation of Tajikistan to keep this clause.

Clause 2.1.5 agreed as follows: "to develop and co-ordinate the activities of National Trade Facilitation WG, which have been organised by the National Commissions in each Party."

Clause 2.2

sub- clause f) "solutions" to be deleted

sub- clause i) "National Secretaries" to be deleted

sub- clause k) "of the IGC" to be deleted

sub- clause m) the wording "...IGC related bodies and non-governmental organizations (NGOs), involved in the IGC activities" to be replaced by "...WG"

sub- clause n) the wording "and in consultation with the Chairman-in-Office and/or Secretary General" to be deleted

sub- clause n) the wording "and the Chairman-in Office" to be deleted

Article 3 Management

Clause 3.2 the wording "... Article 9 of" to be deleted

Clause 3.3 the wording " ... Members of the" to be deleted

Clause 3.3 the wordings " ... Members of the" and "... by consensus" to be deleted

Parties agreed to supplement the article with the clause “3.4.1 The Secretary-General and the Executive Secretary shall be national of any Party.”

Clause 3.5 The Secretary-General: was exposed to few insignificant changes of wording and structure (movement of an item to the end of abstract) and, additionally, the wording “...with assistance of the PS” was removed to read: “Introduces and develops initiatives of the Presiding Party”.

Clause 3.6 The Executive Secretary: was exposed to few insignificant changes of wording and structure (movement of an item to the end of abstract) and, additionally, the wording “Supports permanent relations and provides the exchange of appropriate information with the Depositary of the MLA” was removed to read: “Provides the exchange of appropriate information with the Depositary of the MLA”.

Clause 3.7 Wording “Conducting private business in the transport field” was removed to read “Conducting any private business and holding any active public position”

Clause 3.9 Wording “The experts may be nationals of any State.” to be deleted.

The Parties agreed to finalize the remaining part of the Statute of the Permanent Secretariat of the Intergovernmental Commission TRACECA and the wordings, which was taken in brackets during the next Working Group meeting of legal experts after bilateral consultations that the experts of Common Legal Basis for Transit Transportations project will conduct all over the TRACECA countries with relevant authorities.

PLENARY SESSION

Mr. Tagirov : Presentation of the results of the Meeting National Secretaries.

Mr. Kvatchantiradze : Presentation of the results of the Meeting of the Legal Experts.

TOP 7: ADOPTION OF THE RECOMMENDATIONS AND DECISIONS

The final version of Recommendations and Decisions of the Working Group of the National Secretaries and Legal Experts have been discussed and adopted by participants of the meeting (“Recommendations and Decisions” is attached).

Closing of the Working Group Meeting

Annex 15



**INTERGOVERNMENTAL COMMISSION «TRACECA»
MEETING OF NATIONAL SECRETARIES AND LEGAL EXPERTS
(WORKING GROUP)**

Baky, January 23-24, 2003

RECOMMENDATIONS AND DECISIONS

The Working Group Meeting of National Secretaries and Legal Experts of IGC TRACECA was held in Baku, January 23-24, 2003 with participation of representatives of the Parties of the Basic Multilateral Agreement.

Participants of the WG discussed the issues, in accordance with the agenda.
(Appendix 1)

List of participants of the WG is attached.
(Appendix 2)

On the results of the meeting the following **recommendations and decisions have been adopted:**

**1. Communications of the Parties on implementation of decisions
of the Second Annual Meeting of IGC TRACECA**

Having discussed the reports from the Secretary General of PS IGC TRACECA Mr. A.Tagirov and TRACECA National Secretaries on implementation of decisions of the Second Annual Meeting of IGC TRACECA (Tashkent, April 24-25, 2002), as well as the progress of TRACECA projects: «Harmonization of Border Crossing Procedures», «Unified Policy on Transit Fees and tariffs» and «Common legal Basis for Transit Transportation», the WG noted the importance of the work done by the Permanent Secretariat of IGC TRACECA and TRACECA National Commissions.

2. Proposals on the Future Business-Plan of the IGC TRACECA

For implementation of p. 3 Article 9 of «Basic Multilateral Agreement on international transport for development of corridor Europe-the Caucasus-Asia», the WG discussed participation of the Parties in co-financing of the Permanent Secretariat of IGC TRACECA and decided as follows:

- Adopt (except Bulgarian Party) the draft system of co-financing of the Permanent Secretariat of IGC TRACECA, proposed by PS and EC Experts. **(Appendix 3)**

- For implementation of p.3 Article 9 of Basic Multilateral Agreement, request the Chairman of IGC TRACECA Mr. R. Yunusov, to charge the Secretary-General of PS IGC TRACECA Mr. A. Tagirov with sending the draft system of co-financing of the Permanent Secretariat of IGC TRACECA to the Parties, according to existing procedure, for its consideration and further adoption by the Parties, viewing Bulgarian position.
- Request Romanian Party to clarify its position concerning the draft system of co-financing of PS IGC TRACECA in a 3-days period.

3. On the Draft of the Rules of Procedure of the IGC TRACECA

The Working Group, in accordance with the Agenda of the Meeting, has discussed the draft of the Rules of Procedure of the IGC TRACECA, submitted by the Permanent Secretariat IGC TRACECA, and decided, upon the conclusion of discussions, to recommend to the IGC TRACECA to discuss during its forthcoming Meeting the elaborated draft of the Rules of Procedure of the IGC TRACECA for its subsequent adoption.

In this regard the WG recommends to the IGC to consider and adopt the Decision as follows:

“The Parties to the Basic Multilateral Agreement on International Transport for Development of the Europe-the Caucasus-Asia Corridor, signed in Baky, Republic of Azerbaijan, on September 8, 1998 (hereinafter referred to as “the MLA”), with the assistance of the European Union.

WHEARES

- *the MLA has entered into force in respect of all Parties.*
- *the MLA provided for the establishment of an Inter-Governmental Commission (hereinafter referred to as “the IGC”) to regulate the issues regarding the implementation and application of the provisions mentioned therein.*
- *within the framework of the MLA, during its first annual Conference in Tbilisi, Georgia, the IGC adopted its Rules of Procedure, on March 11, 2000.*
- *the MLA also provided for the establishment of a Permanent Secretariat registered in Baky, Republic of Azerbaijan, as a body with international legal personality.*
- *in compliance with the Technical Annex on Customs and Documentation Procedures of the MLA, the Parties are examining the implementation of or are implementing the international Conventions such as: a.) Customs Convention on the International Transport of Goods under cover of TIR Carnets, 1975; b.) International Convention on the Harmonization of Frontier Controls on Goods, 1982; c.) Customs Convention on Containers, 1972, and are further examining [accession] to and implementation of additional International Conventions related to the international transport of goods and passengers, such as: a) The Kyoto Convention, 1973 (Annexes A2, E1, E2, E3), as revised and b) Convention on International Multimodal Transport of Goods, 1980 as a further step to abolish the legal barriers to international transport within the transport corridor Europe – The Caucasus - Asia.*

RECOGNISING

- *the value of conciliation, mediation and arbitration as methods of settling disputes arising in the context of international economic relations, as already provided for in the MLA.*
- *the value of National Trade Facilitation Working Groups in assisting the IGC to develop initiatives and fulfill the objectives of the MLA on the territories of each of the Parties.*

BEING AWARE OF THE NEED

- *to explore the possibility of establishing a regional scheme for the protection and guarantee of investments against non-commercial risks, and the creation of a specialized investment guarantee trust fund.*

During its Annual Meeting, on September _____, 2003, the IGC have revised its Rules of Procedure and agreed to adopt them.”

(Rules of Procedures of the IGC, agreed by the Working Group is attached hereto – Appendix 4).

4. On the Draft Statute of the Permanent Secretariat of the IGC TRACECA

The Working Group, in accordance with the Agenda of the Meeting, has discussed the Draft Statute of the Permanent Secretariat of the IGC TRACECA, submitted by the Permanent Secretariat of the IGC TRACECA. The Working Group acknowledges the good work done by the Permanent Secretariat and the experts of the Project “Common Legal Basis for Transit Transportation”.

The Working Group has agreed and reached consensus in respect of texts of the Preamble and Articles 1, 2 and 3 of the Draft Statute of the Permanent Secretariat of the IGC TRACECA. **(The texts of the Preamble and Articles 1, 2 and 3 of the draft Statute of the Permanent Secretariat of the IGC TRACECA, agreed by the Working Group is attached hereto – Appendix 5).**

Furthermore, the Working Group requests the Permanent Secretariat to elaborate further the remaining provisions of the Draft Statute, in order to be presented to the Working Group during its next meeting, taking into consideration any possible comments and proposals to be made prior to its next meeting. In this respect it requests the experts of the Project “Common Legal Basis for Transit Transportation” to assist the Permanent Secretariat to complete the elaboration of the Draft Statute and conduct bilateral consultations with the relevant authorities in each Party.

The representatives of the Parties on consensus adopt the above Recommendations and Decisions.

Abdurashid TAGIROV
Secretary-General of the PS IGC TRACECA

Annex 16

32. Convention on the Measurement of Inland Navigation Vessels, 1966			+					+	+					
33. Convention relating to the Limitation of the Liability of Owners of Inland Navigation Vessels (CLN), 1973														
34. Protocol to the CLN, 1978														
35. Convention on the Contract for the International Carriage of Passengers and Luggage by Inland Waterway (CVN), 1976														
36. Protocol to the CVN, 1978														
Border Crossing Facilitation														
37. Convention concerning Customs Facilities for Touring, 1954			+						+			+		
38. Customs Convention on the Temporary Importation of Private Road Vehicles, 1954			+						+			+		
39. TIR Convention, 1959			+						+			+		
40. TIR Convention, 1975	+	+	+	+	+	+	+	+	+	+	+	+	+	+
41. Customs Convention on the Temporary Importation for Private Use of Aircraft and Pleasure Boats, 1956														
42. Customs Convention on the Temporary Importation of Commercial Road Vehicles, 1956	+		+				+		+					+
43. International Convention to Facilitate the Crossing of Frontiers for Passengers and Baggage carried by Rail, 1952														
44. International Convention to Facilitate the Crossing of Frontiers for Goods carried by Rail, 1952														
45. Customs Convention concerning Spare Parts Used for Repairing Europe Wagons, 1958														
46. Customs Convention on Containers, 1956			+						+					
47. Customs Convention on Containers, 1972			+	+					+			+	+	+
48. European Convention on Customs Treatment of Pallets Used in International Transport, 1960			+						+			+		
49. International Convention on the Harmonization of Frontier Controls of Goods, 1982	+	+	+	+			+		+					+
50. Convention on Customs Treatment of Pool Containers Used in International Transport, 1994														+
Transport of Dangerous Goods and Perishable Foodstuffs														
51. European Agreement concerning the International Carriage of Dangerous Goods by Road (ADR), 1957	+		+		+			+	+					+
52. Protocol to the ADR, 1993			+						+					
53. Convention on Civil Liability for Damage caused during Carriage of Dangerous Goods by Road, Rail and Inland Navigation Vessels (CRTD), 1989														
54. European Agreement concerning the International Carriage of Dangerous Goods by Inland Waterway (ADN), 2000			S					S						
55. Agreement on the International Carriage of Perishable Foodstuffs and on the Special Equipment to be Used for such Carriage (ATP), 1970	+		+	+	+				+					+

+ - ratification, accession, definite signature;
S – signature.

Photos

Working Group of the National Secretaries and Lawyers in Baku
January 23-24, 2003

