

Concept Note

Introduction

The purpose of this document is to initiate a discussion on how to improve the efficiency and effectiveness of the activities of the TRACECA Permanent Secretariat and Intergovernmental Commission on the basis of the initiative and proposals of the Republic of Türkiye and, if necessary, to link it to a reform plan.

Justification

The post-pandemic challenges in global supply chains, exacerbated by wars, the blockage of the Suez Canal, and increasing security concerns, have underscored the pressing need for unconventional transportation connectivity solutions, requiring TRACECA, which unites countries from Central Asia, the Caucasus, and Eastern Europe, to transcend its current capacity and adapt to these evolving demands. To address these challenges and embrace innovative solutions, TRACECA must transform its operations to ensure it keeps pace with the evolving landscape of international connectivity. This transformation begins with strengthening the regulatory framework of TRACECA to enhance its functionality and address existing gaps.

Therefore, the scope of this initiative at reforming TRACECA arises from existing loopholes, ambiguities and resulted practical difficulties of implementation of legal and regulatory framework of TRACECA. Further, several provisions do not meet the needs of today and requirements to go beyond the existing capabilities of TRACECA. Although the previous attempts for reforming and improving TRACECA has resulted in some regulatory improvement, more work is needed to fill in the gaps, review mechanisms and create additional ones, if needed. To give an example to the difficulties:

1. Failure of the timely Annual Meeting of IGC TRACECA has led to uncertainties and irregularities in taking important decisions such as the approval of budget, election of the Secretary General, etc. as well as the lack of direction in the legal framework resulted in an inability of the next Chairman party to take on the role.
2. The annual contributions have remained unchanged since the Agreement on Joint Financing of the PS came into force, despite almost a 50% decrease in the Euro's purchasing power from 2006 to 2023 while the exchange rate of the Euro to the US Dollar changed from 1.18 to between 1.05-1.10. This situation has negatively impacted the PS's budget reserves, impacting implementation of projects and hindering transfer of knowledge from higher-income MLA countries due to unattractive salaries.
3. Another issue on the financial side is the absence of a mechanism to encourage and/or facilitate the timely contributions of MLA Parties that hampers budget consistency and predictability of spending. The separate ratification of MLA and the Agreement on Joint Financing also impacts the income of the budget.
4. The candidacy provisions for the post of Secretary General are insufficient and impact the fair and appropriate conduct of elections. This issue is further exacerbated by the fact that elections are held every two years.

Proposed Roadmap

	Roadmap	Year
	Adoption of Concept Note at 17 th Annual Meeting of the IGC	2025
	Discussion and review of key areas on the Concept Note and preparation of a report between 17 th and 18 th Annual Meeting of the IGC	2025-2026
	Submission of the report to the 18 th Annual Meeting of the IGC	2026
	Drafting of amendment proposals on the areas decided by IGC between 18 th and 19 th Annual Meeting of the IGC and	2026-2027
	Adoption of amendments at the 19 th Annual Meeting of the IGC	2027

The topics within the scope of the work:

- a. Review of Legal Documents of TRACECA
- b. IGC TRACECA Meeting Schedules
- c. Term of office and candidacy rules of the Secretary General
- d. International status of TRACECA
- e. Structure of the Permanent Secretariat
- f. Financial contributions of members and budget
- g. Document Management System
- h. Relations with stakeholders

Financial Resource for Reform Discussion

The reform work will be carried out without additional costs, relying on the active involvement of national secretaries and experts from the relevant governmental bodies of the member countries; therefore, there is no need to allocate any financial resources.

Conclusion: The implementation of this concept will strengthen the international standing of TRACECA, enhance its institutional efficiency, and improve its financial sustainability. The coordinated efforts of the member countries will ensure the successful completion of the study for reforms by 2027.

The National Secretaries with the coordination of the Secretary General will convene as often as needed to prepare a report of the conclusions based on discussions and comments of these meetings and submit to the next session of Annual Meeting of the IGC TRACECA.