

PROGRESS REPORT
on the Action Plan 2008-2009 of the MLA Member-States for 2008 in the framework of
the Strategy of the IGC TRACECA for Development of the International Transport
Corridor “Europe-the Caucasus-Asia” for the period up to 2015.

1. Comparative analysis of the Plan’s issues implementation by the member states and
the PS recommendations

№	Action Plan (actions)	Actions effectiveness evaluation	Obtained results	Reasons of the realization of the action
1.	Elaboration of infrastructure five-year master plans	Satisfactory implementation (in the MLA member states). At the same time there is no information on the bottlenecks, in view of the lack of the results of the Technical Assistance projects (hereinafter – TA projects) envisaged in the context of this action of the Plan, particularly on the analysis and forecasting of traffic flows in the TRACECA countries.	1. The MLA member states worked out and adopted the national programmes/plans for development of national transport infrastructure, aimed at increasing of load-carrying ability and carrying capacity of the main railway network, roads of general use, and production facilities of sea and air ports. 2. The project “Development of Coordinated National Transport Policies for the Central Asian Countries” provided effective technical assistance and developed the Model Law on Public Private Partnership to be recommended to the CA countries	Lack of the analysis forecasting flows in the countries, within the framework of the technical assistance for the purpose of implementation of this issue.
2.	Improvement of maritime transport safety	Satisfactory implementation at this stage	1. Measures on effectiveness increase and systematic control of technical condition of transport vessels are applied in the countries. 2. Alignment of the national legal standards in the field of navigation with the IMO standards is carried out. 3. Capacity building of the personnel in this field is realized through training courses.	TA recommendation of this action realization beginning of
3.	Improvement of civil aviation safety	The relevant activities are being carried out	1. In the countries there were developed the aviation security standards in compliance with the ICAO standards. The airports are developing and the aircraft fleet is being renovated. 2. In Ukraine and Turkey the EU Agreement on the “Open Sky” is under consideration. 3. The EC TA project “Capacity Building and Training of Civil Aviation Administration and the Personnel involved in the Air Transportation” was launched.	The EC Assistance “TRACECA Aviation Security” was implemented at the beginning of 2009.

4.	Improvement of road transport safety	The relevant activities are being carried out	<p>1. The TRACECA member states are working towards acceding to a number of European Conventions/Agreements regarding safety and soundness of international road transport.</p> <p>2. Control of motor transport technical condition was intensified in the member states. Car fleets are being renovated.</p> <p>3. Road haulages operators constantly improve their qualification, including the assistance of the EC TA project "Strengthening of Transport Training Capacities in NIS Countries".</p> <p>4. The EC TA "Land Transport Safety and Security in the TRACECA Countries" was launched.</p>	The relevant projects were completed at the beginning of 2009.
5.	Alignment of national transport policy with the Strategy	Satisfactory implementation	<p>1. A number of countries elaborated national programmes /normative legal documents corresponding to the IGC TRACECA Strategy for development of the ITC "Europe-the Caucasus-Asia" up to 2015.</p> <p>2. Within the framework of this issue implementation by the EC TA Project "Development of Coordinated National Transport Policies for the Central Asian Countries" the relevant recommendations were made to the CA countries in the field of legal harmonization in accordance with the long-term Strategy of the IGC TRACECA development.</p>	
6.	Transport database	The data collection for the database (DB) is slowly progressing.	The countries started compilation of transport statistics for the creation of the TRACECA Database within the framework of the EC Technical Assistance Project "Analysis and Forecasting of Traffic Flows in TRACECA Countries and Interregional Transport Dialogue between EU and NIS".	The TA Project "Analysis and Forecasting of Traffic Flows in TRACECA Countries and Interregional Transport Dialogue between EU and NIS" documents its progress at its final meeting regarding the MLA C. This process is taken into account in the specific results of the project in the Database. In this connection, there is no information from the countries regarding the progress and forecast of the TRACECA Database.
7.	Improvement of border-crossing procedures	Satisfactory implementation	<p>1. Construction and rehabilitation of infrastructure at the border-crossing points of the MLA member states.</p> <p>2. The activity is carried out towards acceding to the key Conventions and Agreements in the field of transport and border-crossing, as well as - the introduction of a "single window" concept.</p>	Cooperation of the Customs authorities supervising the implementation of the MLA C. The border-crossing points are active in full.
8.	Multilateral framework on multi-modal transport	Effective implementation	Within the framework of the IGC a Legal Working Group (LWG) was established to follow up the draft Agreement on Development of Multimodal Transport TRACECA. Two LWG meetings were held: 1) on 17 July 2008 in Bishkek (Kyrgyzstan) - the meeting on the draft Agreement coordination. 2) on 25 April 2009 in Istanbul (Turkey) the Final Meeting which recommended the Agreement to be signed during the Seventh Annual IGC TRACECA Meeting to be held on 16 June 2009.	

9.	Extension of common aviation area	The relevant activities are being carried out	The issues of the preparation for signing of relevant horizontal agreements as well as agreements on certain aspects of air transport are under discussion. In the field of air freight service the relations between several TRACECA member states are guided by bilateral agreements on a "Single Sky".	Within the framework of common I between the states reg transport o Sky" concep The releva Project wa at the be 2009.
10.	Upgrade technical expertise of the PS	The relevant activities are being carried out	The MLA Parties contributed their fees to the PS IGC TRACECA budget (not in full measure) on the basis of the Joint Financing Agreement of the PS IGC TRACECA.	The Parties not been co the full t budget. No technica is provided to the PS.

Based on monitoring of the realization in 2008 by the Parties to the "Basic Multilateral Agreement on International Transport for Development of International Transport Corridor "Europe-the Caucasus-Asia" (MLA) of the Action Plan for 2008-2009 for the implementation of the Strategy of the IGC TRACECA for Development of the International Transport Corridor "Europe-the Caucasus-Asia" for the period up to 2015 the analysis shows that 90% of the actions from the Plan are to be included in subsequent TRACECA Action Plans since the majority of the EC Technical Assistance Projects contributing to the realization of the Action Plan issues were launched at the beginning of 2009. At the same time some TA projects did not bring any specific results, particularly, regarding the analysis and forecasting of traffic flows along the TRACECA corridor which form the basis for identification of the key infrastructure projects as is indicated in the points 1 and 6 of the Action Plan and the subsequent EC TA projects.

In this connection it is necessary to emphasize in particular the availability of efficient coordination of the activities programme on the EC TRACECA TA projects with the PS IGC TRACECA and to elaborate a subsequent Action Plan for the period 2010-2012.

2. Development of the TRACECA Corridor in 2008

2.1. Infrastructure projects

In accordance with the available information, in 2008 3 infrastructure projects to the total amount of 3 669.6 million USD were realized by the TRACECA countries. This includes the completed first phase of the Project "Rehabilitation of the Road Dushanbe-the border of Kyrgyzstan" (*this phase to the total amount of 23,600 million USD was completed in August 2008 – the donor institutions were ADB and OPEC*) in Tajikistan; the Project Khalkaly – the border with Bulgaria (*completed in 2008 to the amount of 646 million USD – financed on the basis of trade banking loan in the size of 70% and of the EU grants - 30%*) in Turkey, as well as the High Speed Rail Line project Ankara – Istanbul (*completed first phase Ankara-Eskisehir, 245 km in 2008 to the amount of 990 million USD, financed on the basis of Bank loan (93 %) and national fund of the Republic of Turkey*) in Turkey.

In 2008 the TRACECA countries launched 11 Infrastructure Projects to the total amount of 2 715.8 million USD to be completed in 2010-2012.

It is necessary to emphasize that all these projects are aimed at the development of transport infrastructure, particularly at the rehabilitation and enhancement of the existing infrastructure networks sections, as well as the construction of new sections and terminals. These national

projects are financed at the expense of IFI own budgets or loans. As a rule, the donors are represented by regional financial institutions which tend to fund the projects according to their regional policy and each financial institution programme (based on the example of the dialogue within the framework of CAREC, UN programmes, etc.). Among main donors of infrastructure projects there should be emphasized the Islamic Development Bank, Asian Development Bank, World Bank. Private investments are also a source of financing, including concession-based investments which refer to Kazakhstan and Turkey.

The countries are also planning to realize infrastructure projects in 2009-2010, to be indicated in the next report on the Action Plan implementation for 2009.

2.2. Co-operation of the TRACECA countries with the EC Technical Assistance projects

In 2008 the MLA member states through the National Commissions of the IGC TRACECA closely co-operated with the EC Technical Assistance projects (TA), which were launched in that period. Relevant statistics and information on the countries, including the required documents, were provided. Within the framework of TA projects' Terms of Reference implementation the measures on ensuring the participation of the representatives of ministries and departments of the TRACECA member states in the working groups, workshops and regional meetings were taken.

At the same time, as it was noted in the point 1 of the present Report, the most part of the EC TA projects indicated in the Action Plan were launched at the beginning of 2009. In this connection the specific co-operation activity between the countries and the EC TA projects in 2008 is not stated in this Report.

A number of beneficiary countries presented their comments on the realization within the Terms of Reference of the EC TA Project "Analysis and Forecasting of Traffic Flows in TRACECA countries and Interregional Transport Dialogue between EU and NIS countries" launched in May 2007, the outcomes of which served the basis for the implementation of two issues of the Action Plan.

In accordance with the point 4 of the Final Recommendations of the PS IGC TRACECA Meeting of the Permanent Representatives (28-29 April 2009, Istanbul), based on the remarks made to the Consultant of the given Project, the meeting emphasized the necessity of the follow-up of the Database and traffic flows forecasting, developed within the project with a view to subsequently use them in the PS activities and within the framework of other on-going and future TRACECA projects at the same time expressing concern over the present situation of the Database creation within the framework of the mentioned project.

In this connection it is recommended that the activity be continued for the purpose of the ITC TRACECA traffic flows Database creation within the framework of other EC TA projects.

2.3. Regarding transport development along the TRACECA corridor

Taking into account the freight traffic structure and the dynamics of cargo turnover changes for the last years it is necessary to note the increased role of pipeline transport. For 2008 along the ITC TRACECA via the South-Caucasus section there were transported about 57 million tons of various goods with more than 50% falling at the pipeline transport, and a specific share of oil and oil products made on the whole about 75% of the total volume of the carried goods. This is a maximum figure since the launch of the corridor operation. At the same time due to the tariff rates increase the volume of transit transport of dry cargo by railway and sea transport for the Central Asian countries decreased.

Thereupon it is recommended that the co-ordination activity between the relevant authorities in the TRACECA region countries be strengthened with a view to increase the corridor competitiveness and to attract additional traffic flows, particularly, container freight to the ITC TRACECA.