

United Nations
Special Programme for the Economies of Central Asia
(SPECA)

Protocol of the 7-th session
of the Project Working Group for
Transport and Border Crossing Facilitation (PWG-TBC)

Almaty, 25-27 November 2002

General observations

1. The Project Working Group – Transport and Border Crossing Facilitation (PWG-TBC) held its 7-th session in Almaty on 25-27 November, 2002.

Attendance

2. The session was attended by the delegations of the Republic of Kazakhstan, Kyrgyz Republic and the Republic of Tajikistan and the representatives of the UNECE, UNESCAP and UNDP. The delegation of Azerbaijan Republic and representatives of international organisations ECO, EAEC, TRACECA, IRU, UIC, FIATA, EBRD, IDB, ADB and SPECA Business Cooperation Council (SPECA BCC) also attended the session as observers. The list of participants is attached as Annex 1.

Agenda of the session

3. The proposed agenda for the 7th PWG-TBC session was adopted unanimously. The approved Agenda is attached as Annex 2.

General provisions

4. Mr. R.Zhumaly on behalf of the MFA of the Republic of Kazakhstan welcomed the participants of the 7th session of the PWG-TBC. He emphasized that the SPECA as a Presidential Programme has full political support of the high authorities of Kazakhstan. Kazakhstan as a leading SPECA country has the aim to streamline its activities in the field of transport and border crossing facilitation targeted to practical results.
5. Mr. K.Dzhakupov, First Vice-Minister of Transport and Communications of the Republic of Kazakhstan and the Chairman of the PWG-TBC, in his opening speech welcomed the participation in the session of the delegations of the Azerbaijan Republic and the Russian Federation. He underlined the significance of PWG-TBC as the most important body for coordination of the projects/programmes such as the ALTID (UNESCAP), UNDP Silk Road Area Development Programme, TRACECA/EU, ECO programmes in the field of transport as well as ADB Programme of Regional Economic Cooperation in Central Asia, including Transport Sector Studies. The effectiveness of the SPECA activities can be

significantly increased, if international organisations could provide more consultative and financial support to this programme.

6. Mr. Barry Cable, Director of the UNESCAP Transport, Communication, Tourism and Infrastructure Development Division, in his welcome address noted that he participated for the first time in the PWG-TBC. He noted that the UN ESCAP considers the SPECA as an important regional initiative to be deserved the broad international support. The UNESCAP considers a possibility to provide such support through the consultative missions of its experts to the Central Asia. In particular, certain aspects covered by SPECA are also important elements of the UNESCAP activities in the development of the AH and TAR. He paid attention to the important significance of the establishment of the SPECA BCC and also he noted particularly that it is impossible to resolve many practical issues in the field of transport (including the establishment of inter-modal logistics centres) without attraction of private sector.
7. Mr. Peter Tsyba, UNECE Regional Advisor and SPECA Coordinator, informed participants on the decisions and recommendations of the 2nd and 3rd sessions of Regional Advisory Committee (RAC), the SPECA Supreme Body. In particular, the RAC supported the PWG-TBC initiative about broad attraction of the experts from the main trade and economic partners of SPECA countries to its activity. Recent developments in Afghanistan are the evidence of justification for such an approach. Another important SPECA initiative is the recommendation to request the relevant UN bodies to establish a post of the Special Focal Point for the Development and Stability in Central Asia on the basis of SPECA. This idea has a special actuality in the light of mobilisation of international efforts to combat international terrorism.

Discussions and Recommendations

Presentations of the SPECA focal points on transport and border crossing facilitation activities at the national level

8. Mr. K. Dzhakupov acting as the Head of the Kazakhstan delegation and the PWG-TBC Chairman informed the participants on interaction with national delegations in the process of preparation for the session. It was mentioned that the Protocol of the 6th PWG-TBC session and the requests on providing information in compliance with its decisions were circulated among SPECA countries and international organisations. The materials on SPECA issues were added (Annexes 3-7) and confirmed based on the obtained information. The appeals to the Governments of Turkmenistan and Uzbekistan were left without response.
9. The participants of the session were unanimous that it would be necessary to inform Governments of Turkmenistan and Uzbekistan on the common opinion regarding the necessity to participate in the SPECA transport projects. Without participation of these countries it is difficult to resolve comprehensively the issues of rationalisation of transport linkages in Central Asia. The UNECE and UNESCAP may play an important role to attract these countries to participate in SPECA.
10. The Chairman introduced an updated list of investment projects proposed by the participating countries. The participants agreed that the updated list of projects of regional significance may be submitted to international financial institutions for their consideration. It was noted that it would be necessary to verify and to add up this list for its further consideration at the SPECA International Economic Conference (Dushanbe,

April 2-4, 2003).

11. Chairman noted with satisfaction the recognition by the international community of the importance and actuality of developing an efficient transit system in Central Asia. In this connection he drew attention to the UN GA Resolution (UN GA 56/December 21, 2001) about the International Ministerial Meeting of Landlocked and Transit Developing Countries and Donor Countries and International Financial and Development Institutions on Transit Transport Cooperation to be held in Almaty in autumn 2003. Kazakhstan has a special interest on the issues related to foreign trade development, priority determination of international activities on transit development and working out of the Programme of Action at global level.
12. The representatives of the Kyrgyz Republic and Republic of Tajikistan reported on their activities regarding the implementation of decisions of the 6th PWG-TBC session. They share Kazakhstan's position concerning MoU and the role of SPECA as the main coordinating body of regional cooperation in Central Asia.

Presentations of focal points and international organisations on the sub-regional/regional level activities (Work Plan for 2001-2002)

13. Kazakhstan highly appreciated SPECA, UNDP, TRACECA and ECO programmes and reiterated its opinion about the necessity to strengthen regional coordination in decision-making on transport policy issues within the framework of existing programmes and primarily within the framework of SPECA. The participants supported the opinion on the issues of coordination of sub-regional activities in the field of transport.
14. The participants of the session reported on the present status of activities on the establishment of Inter-Ministerial Commission on Simplification of Border-Crossing Procedures and Development of International Traffic (IMC). The IMC in Kazakhstan was set up in December 1999. Two sessions of IMC were taken place. The draft MoU on improving of international road freight traffic under SPECA was considered at one of them. Kazakhstan will get ready to sign the above document after clarification of its point regarding the expediency and modalities of establishing a Committee on Road Freight Traffic.
15. The participants particularly the representatives of Kazakhstan, Kyrgyzstan and Tajikistan approved the draft MoU and decided to submit it to the 4th session of the SPECA RAC (Bishkek, November 28-29, 2002) for consideration.
16. Mr. G.Kassymov, representative of ECO Secretariat reported on launching the demonstration run of container train on route Istanbul-Almaty and continuation of preparations to launch the similar run on route Almaty-Istanbul. He also informed the session on the successful implementation of the first pilot (technical) run of the international passenger train on route Almaty-Tashkent-Turkmenabad-Tehran. In his report he noted that the above projects were endorsed at recently taken place the 4th ECO Ministerial meeting on Transport and Communications which appealed to the Governments of the Member States to consider the reduction of transit tariffs for container traffic on the indicated route to make the container traffic more attractive for shippers/consignees. The opening of the regular traffic of passenger train No.19/20 Almaty-Tehran, nowadays, depends on obtaining concurrence of the schedule of this train from the administration of "Uzbekiston Temir Yullari" – a State Joint Stock Railway Company.

17. It was endorsed that under conditions of the transition to the market economy it is feasible to use flexible pricing policy on the basis of supply and demand for transport services.
18. Mrs. A.Idrissova, Project Manager from the UNDP Office in Kazakhstan, on behalf of the UNDP Silk Road Area Development Programme (UNDP SRADP) made a presentation. It was noted that the Phase I of UNDP SRADP was completed. The coordination mechanism and system of information interaction were established between member-countries. Conditions were created for direct dialogue among all parties concerned. The participants supported the proposal for continuation of the UNDP SRADP Phase II. It was pointed out that this programme opens additional opportunities for cooperation of SPECA member countries with China in the context of integration of the Silk Road region in the economic cooperation between Europe and Asia.
19. Mr. Bodo Rossig, representative of EU/TRACECA, reported on the present status of implementation of this programme (budget is 109 mil. Euro) and underlined their readiness to coordinate their activities with all concerned parties, including international programmes and financial institutions.
20. Mrs. A.Issabaeva, IDB representative, emphasized the progress in coordination of efforts in the area of transport within the framework of SPECA. She drew special attention to the necessity to encourage local businesses and to involve them to provide consultations and other services in transport related programmes. In particular, local businessmen could participate in feasibility studies and implementation of specific projects and programmes. The SPECA BCC could provide an identification of such companies and promote their access to the market of international services. International financial institutions could provide assistance to resolve this issue. Information on this issue could be submitted to the Annual IDB Board Session to be held in Kazakhstan in September, 2003.
21. The participants pointed out that the SPECA activities contribute to stabilization of situation in Central Asian region. In this connection, the SPECA RAC decision was supported to appeal to the relevant UN bodies with the request to designate an UN Special Coordinator on Development and Stability on the basis of SPECA.
22. In the light of upcoming EU enlargement participants expressed intention to take into account this political factor in SPECA activities.
23. The participants noted the actuality of broad involvement of private sector capital in financing and implementation of SPECA projects. For this purpose the capacities of national associations and other entrepreneurship unions in SPECA and ECO countries may be used. It was pointed out the opportunity of addressing to the ECO Secretariat and national entrepreneurship associations with the proposal to join these activities.
24. Mr. Claude Boutte, UIC representative who participated in PWG-TBC session for the first time, expressed readiness of his organisation to participate in implementation of specific projects in Central Asia and in coordinating activities under the auspices of SPECA.
25. Mr.K.Ahmetov, EAEC representative reported on interaction within the framework of the Transport Union Agreement. These activities directly linked with developing of cooperation on transport issues in the region. The EAEC is ready to cooperate with SPECA on the issues of having mutual interest.
26. Participants specially pointed out outcomes of the 4th International Conference TRANSEURASIA-2002 (June 6-7, 2002, Astana, Kazakhstan) and its role in developing

transit capacities in Central Asia.

27. Mr. R.Batalov, Chairman of SPECA BCC, presented the Program of Action for the nearest future on the establishment of structure of this Council and expressed the request to all participating countries to nominate their representatives. He announced about readiness to take active participation in the implementation of SPECA Work Program. Within the framework of PWG-TBC the issues on border crossing facilitation procedures are a priority interest for entrepreneurs. Having noted importance of mobilisation of public support for SPECA and attraction of international and domestic investments into SPECA projects, he addressed to the national coordinators to provide regular information for public awareness on SPECA issues at regional and international levels. In answering questions of participants Mr. R.Batalov agreed to prepare for the next PWG-TBC session the information on trade economic relations and freight flows within SPECA countries and between Central Asian countries and their main partners.

Work Program of PWG-TBC for 2003-2004

28. The participants considered the draft Work Program for 2003-2004 and adopted it with amendments (Work Program is attached).

Miscellaneous

29. Proceeding from the interests of regional cooperation development and understanding processes of transport development in SPECA countries, participants agreed that the PWG-TBC sessions could be held regularly in different countries, participating in SPECA, according to their official invitation.
30. Chairman of the PWG-TBC welcomed this proposal. Kazakhstan will be ready to consider specific proposals in this regard.
31. Regarding the date of next PWG-TBC session it was noted to conduct it prior to SPECA International Economic Conference on Tajikistan and on the issues of investments attraction to Central Asia, which will be held on April 2-4, 2003 in Dushanbe, Tajikistan.
32. The participants expressed their gratitude to the host country for excellent arrangements of the session.
33. The participants also pointed out contribution of the UNDP Office in Kazakhstan to organize this session.

Date and venue of the 8-th session of PWG

34. It was decided to hold the 8-th session of PWG in Almaty in March 2003.

Provisional Agenda of the 8-th session of PWG

1. Opening of the Session
2. Adoption of the Agenda
3. Reports of the SPECA Coordinators on activities in the field of transport and border crossing issues at the national level
 - a. Present status on implementation of decisions of the 7th Session of PWG-TBC;
 - b. Accession of SPECA countries to main international conventions in the field of transport and execution of their provisions;

- c. Progress on problem issues of international transit of goods and passengers through the territory of SPECA countries;
 - d. Progress in the establishment of national committees for trade and transport facilitation
4. Reports of Country Coordinators and International Organizations on the activities at the subregional/regional level.
 - a. Draft Memorandum of Understanding on International Road Transport of Goods in the framework of SPECA for its further signing at the Ministerial Level;
 - b. Implementation of regular traffic of container/block trains on route Druzhba – Almaty –Tashkent – Turkmenabad - Tehran – Istanbul – Kapikule and further (ECO);
 - c. Opening regular passenger railway traffic on route Almaty-Tashkent-Turkmenabad-Tehran-Instanbul (ECO);
 - d. UNDP Silk Road Area Development Programme, Phase II (UNDP);
 - e. Proposed Highway and Railway Network in the SPECA region (UNESCAP);
 - f. Activities of other international organizations (UIC and others).
5. Elaboration of SPECA joint position for the UN-Ministerial Meeting of the Landlocked and Transit Developing Countries and Donor Countries and International Financing and Developing Institutions on Transit Transport Cooperation to be held on October, 2003 in Almaty (SPECA countries, UNESCAP, UNECE, UNDP, ECO etc).
6. Information of Chairman SPECA BCC.
7. Promotion of priority investment projects supported by PWG-TBC.
8. Implementation Work Program of PWG-TBC for 2003-2004.
9. Miscellaneous
10. Adoption of the Protocol

Chairman

_____ **K. Dzhakupov,**
First Vice Minister of Transport and
Communications, Republic of Kazakhstan

Almaty, November 27, 2002