

EuropeAid 2008/155-683

Transport dialogue and interoperability

between the EU and its neighbouring countries and Central Asian countries

First Interim Progress Report

January 2010



This project is funded by
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This project is implemented by
TRT Trasporti e Territorio, Alfen Consult GmbH, Dornier Consulting GmbH and PTV AG



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TRACECA IDEA Project - Contract 2008/155-683

Transport Dialogue and Interoperability between the EU
and its neighbouring Countries and Central Asian Countries



REPORT COVER PAGE

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21. EC Delegation Armenia	1	1	1	
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List of Abbreviations

ADB	Asian Development Bank
AidCo	EuropeAid Co-operation Office
BAC	Business Advisory Council
BDZ	Bulgarian State Railways
BSEC	Organization of the Black Sea Economic Cooperation
CALC	International Logistics Centres in Central Asia project
CAREC	Central Asia Regional Economic Cooperation
CIS	Commonwealth of Independent States (former USSR) also called NIS
DG TREN	Directorate General Energy and Transport
EaP	Eastern Partnership
EBRD	European Bank for Reconstruction and Development
EC	European Commission
EIB	European Investment Bank
ENP	European Neighbourhood Policy
EU	European Union
FRISBEE	Finland, Sweden, northern parts of Russia
GIS	Geographical Information System
GoG	Government of Georgia
IDEA	Interoperability and Dialogue between Europe and Asia
IFC	International Financing Corporation
IFI	International Financing Institution
IGC	(TRACECA) Inter-Governmental Commission
ILC	International Logistics Centre
IRU	International Road Transport Union
LCPI	Logistics Chain Performance Index
MLA	Multi-Lateral Agreement
MoT(C)	Ministry of Transport (and Communication)
MoU	Memorandum of Understanding
MoS	Motorways of the Sea
NGO	Non-Governmental Organisation
NIS	Newly Independent States, also called CIS
NS	(TRACECA) National Secretary
OSCE	Organization for Security and Co-operation in Europe
PPP	Public-Private Partnership
PS	(TRACECA) Permanent Secretariat
PSD	Private sector development
REBIS	Regional Balkan Infrastructure Study-Transport
RELEX	Relations Extérieures (EC DG Foreign Relations)
RODER	Ro-Ro Vessel Operators and Combined Transporters Association
SG	Secretary General
TACIS	Technical Assistance for the Commonwealth of Independent States
TEN-T	Trans-European Transport Network
TIF	TRACECA Investment Fund
TIRS	Transport Infrastructure Regional Study in the Balkans
ToR/TOR	Terms of Reference (of the present project, unless stated otherwise)
TRACECA	Transport Corridor Europe-Caucasus-Asia
UNDP	United Nations Development Program
WB	World Bank
WG	Working Group
WTLC	International Logistics Centres in Western NIS and the Caucasus



PROJECT SYNOPSIS

Overall objectives: The overall objective of TRACECA is to improve the transport links of the EU Trans-European Networks with the neighbouring countries (Caucasus, including Armenia, Azerbaijan, Ukraine and Georgia) and the Central Asian countries, thus facilitating trade and enabling socio-economic and environment development in the region. Additionally the Project's purpose is to enhance regional transport dialogue and transport inter-modality between the EU and these countries through enhanced co-ordination and working with international financing institutions (IFIs), closer collaboration and participation of IFIs and, where feasible, the private sector in TRACECA transport projects.

Results to be achieved, indicators, constraints and assumptions are laid out in Annex 1: Project Logical Framework Matrix. Specific Project purposes are as follows:

1. *Strengthen* the political and transport *dialogue mechanisms* between the European Commission (EC), TRACECA beneficiary countries, other project stakeholders and IFIs, by achieving *effective communication* and *dissemination of activities and results* for the TRACECA programme.
2. Support the implementation of the *IGC Long-Term Strategy* until 2015 and related *Action Plans*, through *assistance to TRACECA Permanent Secretariat* and *member countries* for development of the transport corridor and links to the EU Trans-European Networks, by achieving effective and sustainable coordination with IFIs and other financial institutions for *identification of "bankable TRACECA originated projects"*.
3. *Contribute* to the development and agreement of *TRACECA regional investment plans* for transport infrastructure in support of project identification, project definition and appraisal leading to mobilisation of funding and project implementation, by supporting the *implementation of transport investments' projects* by providing studies, developing business and master plans, analysing financial and technical feasibility including public-private partnerships.

Project starting date: 12 May 2009

Project duration: Three years (36 months)

Project value: Total value of the Project is Euro seven (7) million, of which provisions for staffing and related expenditures is Euro five (5) million and for incidental expenditure Euro two (2) million

Key stakeholders: Ministries of Transport, Ministries of Trade & Economy, Customs Authorities, IFIs, Commercial Banks, International Road Carriers, Freight Forwarders, NGOs, Transport users at large

Specific activities: The Project has four work components:

- (1) Implementation support for the IGC Long-Term Strategy and related Action Plans including capacity building and institutional building
- (2) Project identification and project definition;
- (3) Mobilisation of funding; and
- (4) Communication and dissemination.

Key results:

1. In relation to Project purpose 1:

1. Coordinated strategy between countries to strengthen regional transport cooperation;
2. Changes to the governance and organisation structure of the TRACECA PS will have been agreed and implemented together with proposed amended funding mechanisms.
3. A minimum of two regional transport and infrastructure conferences will have been held at ministerial level;



4. Thematic working-group structures will be established and working; a minimum of eight working groups will have been convened;
5. TRACECA programme activities, materials, results and other information will have been produced and widely communicated and disseminated.

II. In relation to Project purpose 2:

1. Specific objectives, targets and activities within the IGC Long-Term Strategy will be identified;
2. At least one regional conference focusing on PPP for investment in infrastructure will have been convened;
3. A minimum of two IFI regional coordination meetings will have been convened;
4. The IGC Permanent Secretariat and National Secretaries (if required) will have received capacity building for public-private infrastructure procurement, project management and finance, and structured training programme to meet their specific needs;
5. Institution building with PPP competence centres for long-term knowledge transfer;
6. An established "working community" in place comprising TRACECA network and IFIs;

III. In relation to Project purpose 3:

1. A sustainable TRACECA's traffic and project database system will be maintained and updated by the TRACECA member countries themselves;
2. A short list of 6 to 8 infrastructure and transport projects will have been generated; pre-appraisals on these short-listed projects will have been completed and discussed with IFIs; for these projects, pre-feasibility studies will have been conducted jointly and with the sponsorship and backing of IFIs;
3. At least two regional infrastructure and transport projects which lend themselves to Public Private Partnership structuring will have been identified and defined;
4. At least two bankable TRACECA originated projects will have IFI commitments for investment; these IFIs will have accepted to undertake full feasibility studies;
5. Minimum of two identified TRACECA regional infrastructure projects considered by stakeholders for possible PPP structuring;
6. Documented methodology will be in place for use by the PS covering the project cycle;
7. A "Financing and Investment Manual";
8. A "readiness assessment" of TRACECA member countries for PPP arrangements or other procurement options;
9. Practical support and technical advisory services for the proposed Business Advisory Council;
10. Technical advisory services to set up the proposed TRACECA Investment Fund.

Preparation of this First Interim Progress Report: The report was prepared by the IDEA Project's key experts and representatives of its Consortium Members: TRT Trasporti e Territorio srl, Alfen Consult GmbH, Dornier Consulting GmbH and PTV AG.

Purpose of the Report: The purpose of this First Interim Progress Report is to

- (1) present a concise summary of the main issues of the IDEA Project and recommendations of the IDEA-staff for the attention of key decision makers;
- (2) review the activities undertaken by the Project since mobilisation of the IDEA-team; and
- (2) give a precise outlook on the contents, procedures and schedules of the work planned for the next working period of six months.

Format of the Report: This Interim Progress Report follows the format proposed by the EC document "Guidelines for Reporting - PCP III Project Inception Report, Interim Report and Final Report", Tacis, Brussels, September 1995, amended June 1998.

Furthermore, the report applied some formats proposed by the EC document "Strengthening project internal monitoring - How to enhance the role of EC task managers", Tools & Methods Series - Reference Document No 3, June 2007, page 19



1. Executive Summary

1.1 Project background and past progress

Project set-up

The IDEA Project is funded by the European Commission (EC) within the framework of the TRACECA Programme. The Project has a duration of three years, officially started on May 12, 2009, and mobilised its on-site activities as from 02 June 2009. The IDEA-team took up office in the TRACECA Permanent Secretariat (PS) building in Baku. It is understood that physical proximity and hence shorter communication routes to the PS as central beneficiary of the Project should increase effectiveness and cooperation throughout the duration of Project implementation.

The IDEA-team divided its responsibilities over the TRACECA area among South-Eastern Europe, Turkey & South Caucasus, and Central Asia. This division among the Project's three key experts has proved beneficial, in that communication can be held tighter by the individual key expert concentrating on a smaller number of TRACECA National Representations.

Together with the IDEA Project, most ongoing TRACECA technical assistance (TA) projects – particularly the “logistics” ones – have many common issues. The IDEA Project is involved due to its role of “umbrella” project, which has to take care of coordination and dialogue, while the other projects deal with specific topics or technical issues. A TRACECA plan of events is continuously being coordinated and updated, reports and documentations of all TRACECA TA-projects are being screened and interpreted on a regular basis.

To bring project experts closer and to exchange information, three coordination meetings were held during the first reporting period:

- At Project commencement, a logistics coordination meeting was held in Brussels with participants from the European Commission and representatives of the TRACECA “logistics-related” projects;
- In late September, a project coordination meeting with National Secretaries (NS) and representatives of the TRACECA TA-projects was held in Brussels;
- In end-November, a synergy meeting was held with other TRACECA TA-projects in the IDEA Project office.

Progress during past work period

The inception phase of the IDEA Project was completed successfully. During that period, meetings were held with stakeholders in each beneficiary country based on the above-mentioned division of the TRACECA area. These meetings at an early stage of the Project enabled the IDEA-team to understand the specific issues at stake and to exchange with most IFIs on site information about individual programmes and projects both ongoing and in the planning stage. During the remaining two months since finalisation of the inception period, the IDEA-team was engaged in

- continuation of the policy dialogue: preparation and partial conduct of a coordination meeting in Brussels, investigation and preparation of work on transport policies and strategies;
- organisation of improvements in the TRACECA traffic model, database, web-site
- transport infrastructure development: evaluation and prioritisation of transport projects, and;
- financing arrangements: outline of an investment manual, layout of a TRACECA Investors (Finance) Forum to be held in late 2010.



Deviation from Terms of Reference

The work plan for the next six-month period is highly influenced by the outcome of the predecessor project. During an overlap period of a couple of months between the two projects, data and information were exchanged between the two projects although both teams were at critical stages, with the predecessor project finalising the final technical and financial reporting and the IDEA-team setting up its new office.

After this overlap period, it became definitely clear that there were a number of issues where the outcome produced by the predecessor project was not in line with what could have been legitimately expected on the basis of the IDEA Project's Terms of References. Such a situation has implied a re-arrangement of the Project work plan and budget. As a result of the additional activities not foreseen in the IDEA Technical Proposal, the labour input increased by more than a third due to the Project's international experts involved in the analysis of the Traffic Model and GIS Database.

Additional activities have been planned (with budget and time constraints) for the Traffic Model "upgrade", while for infrastructure projects selection, GIS database, and TRACECA web-site, the consequences are related to re-scheduling of activities. A large number of person-days of both international and local short-term experts are additionally required for finalisation of the Traffic Model and GIS Database and the elaboration of traffic forecasts.

Also, the EC proposed to treat the issue of Private-Public Partnership (PPP) in terms of capacity building rather than at the detailed level as it happened with the previous TRACECA projects. This adaption has implications both on the scope and scheduling of planned activities for the responsible key expert.

Finally, the IDEA-team proposes to limit the feasibility studies to the size of pre-feasibility studies to be produced in preparation of the TRACECA Investors (Finance) Forum in October 2010. The production of full-size feasibility studies would exceed both the financial and the time frame of the Project. Also, IFIs or commercial banks will accept only feasibility studies produced by own consulting companies or departments.

1.2 Recommendations

Sustainable alternative corridor

The TRACECA Corridor is envisaged as an alternative to both the northern corridor running through Russia and Belarus and the southern corridor running through Iran and Turkey. Due to its intermodal nature, the TRACECA Corridor could only be competitive when connected and operated in a most efficient way. The IDEA Project needs to promote the TRACECA Corridor to be a sustainable alternative so as to offer a lifeline independent from surrounding geopolitics. To this end, the Project will

- assess the logistics performance of the TRACECA Corridor and its competing routes,
- show to all TRACECA member countries the benefits arising from having this alternative corridor.

Legislative, administrative and technical standards

Legislative procedures and regulatory frameworks must be adjusted to international standards in some TRACECA countries. Also, there is a need to realign technical standards and regulations as well as administrative procedures. These necessary adjustments will pave the way for cross-border projects and/or private involvement in building the South Eastern Corridor for the expansion of the Trans-European Transport Axes (the "south-eastern TEN-T axis"). The IDEA Project will therefore identify and promote opportunities for



- closer integration of the TRACECA member countries' legislative procedures, regulatory frameworks and technical standards with the EU,
- further technical interventions (projects) in terms of realignment of transport and trade facilitation legislation, ensuring closer integration between TEN-T and TRACECA.

Transport infrastructure

It is very important to guide the TRACECA countries through the process of creating a suitable environment for the efficient delivery and management of sustainable infrastructure. This process has to start together with the collection of adequate data and the provision of planning tools. Active guidance by the IDEA Project can avoid a loss of interest by the TRACECA countries over time. To create a sound basis for investment-project planning, the Project will

- improve the quality of the TRACECA transport database, data collection and traffic forecasting,
- select and prioritise transport-investment projects of genuine regional significance and with a realistic chance to be presented to investors.

Fully utilising the human resource potential in TRACECA member countries

The TRACECA member countries avail of a large, but widely unused, resource potential in terms of government institutions, public-private partnership (PPP) and private direct investments. These stakeholders will contribute resources only when they see the benefits arising from the TRACECA Corridor. In order to raise this awareness, the IDEA Project, wherever possible, will

- assist in giving more ownership to stakeholders, be they public institutions, operators of transport means, or users of the transport facilities at large,
- have these stakeholders participate in programmed and structured thematic working groups.

Capacity and institution building

The opportunities and benefits of the IDEA Project can secure the cooperation and commitment of the TRACECA countries. Those benefits should be made visible to the beneficiaries through a comprehensive capacity and institution-building strategy. Building up mutual trust by the TRACECA member countries is essential for the future project implementation. Therefore, the IDEA Project will

- determine the current level of competencies and knowledge amongst the experts employed in the Permanent Secretariat headquarter and its National Secretariats,
- recommend on improved functioning, staffing and financing of the TRACECA Permanent Secretariat headquarter and its National Secretariats,
- coordinate the required training by establishing appropriate frameworks and training schedules.

Communication and dissemination of information on TRACECA activities

To have more stakeholders contribute resources, their awareness as to TRACECA objectives and activities needs to be raised. More information details about TRACECA activities will improve the transparency in all member countries. To this aim, during the second half of the next work period the IDEA Project will

- design a communication and dissemination strategy,
- assess the scope and destination of TRACECA promotion materials.



2. Introduction

This introduction offers a description of the EU and TRACECA policy contexts, an insight into the background of the IDEA Project and a set of basic recommendations which need to be followed to bring the Project to its successful end.

2.1 Policy and project context

EU and TRACECA policy contexts

The two European Union (EU) enlargements occurring in 2004 and 2006 have stressed the need for setting up a new framework, where regional cooperation and integration between the EU and its neighbours are further enhanced, in order to promote a balanced and sustainable development based on a broader relationship with third countries and organisations.

In this respect, the EU policy context, that sets the framework in which the TRACECA Programme develops its important role, is defined by two major pillars:

- EU Neighbourhood Policy (ENP)¹, including also the Eastern Partnership (EaP), and
- TEN-T Network.

The ENP is key in bringing the Eastern neighbours politically and economically closer to the EU. Indeed, geographical proximity is namely important at the Eastern borders of the EU, and the ENP is a central tenet of the overall strategy for achieving dynamic economics and a cohesive society in these countries.

This role has been then further intensified with the so-called Eastern Partnership, which has put in place a deeper engagement of the EU in supporting the eastern partners' reform efforts. As highlighted by the European Commission in its communication setting out the proposals for the EaP², this partnership emphasises the need for a differentiated approach respecting the character of the ENP as a single and coherent policy framework.

Concerning the TEN-T Network, the European Commission in 2007 launched the so-called "Guidelines for transport in Europe and neighbouring regions"³, which point out the need for establishing a comprehensive integration policy, where the major goal should be ensuring over time that legislation, standards and technical specifications of EU main trade partners are compatible with those of the EU, so as to pave the way towards an effective transport market between the EU and its neighbours.

These guidelines make a link between the revised concepts for the TEN-T policy and the ENP objectives, as recommended, amongst others, by the High Level Group on the extension of the TEN-T Network⁴,

To conclude, the rationale of the EU strategy for the area is to provide the cooperation tools for assisting the TRACECA member countries in addressing the multiple objective challenge of better governance and economic development.

All together, these three elements – ENP, EaP and TEN-T policy – have then the potential to design an appropriate track for providing the ideal conditions and new framework where challenges may be addressed in the TRACECA area.

¹ European Commission Staff Working Document accompanying the Communication *Eastern Partnership* (COM (2008) 823 final), SEC(2008) 2974/3

² European Commission Communication *Eastern Partnership*, (COM (2008) 823 final).

³ Communication from the Commission, *Extension of the major trans-European transport axes to the neighbouring countries. Guidelines for transport in Europe and neighbouring regions*, COM (2007) 32 final.

⁴ European Commission (2007), *Black Sea Synergy - A New Regional Cooperation Initiative*.



They may, indeed, back the TRACECA Programme by supporting the development of an efficient and well integrated transport system in the TRACECA region, by:

- eliminating obstacles and bottlenecks at the national borders,
- setting common and harmonised market and trade rules,
- harmonising policy and administration processes,
- facilitating cross-border traffic through technical interoperability, and
- enabling the private sector to have a leading role in strengthening and deepening both the economic relationships across national borders and the integration of adjacent economies.

Project context

The IDEA Project is funded by the European Commission within the framework of the TRACECA Programme. The Project has officially started on May 12, 2009 and has a duration of three years.

Historically, the countries located in Central Asia and the South Caucasus have served as bridge between both West and East (Europe and East Asia) and North and South (from Russia and the Baltic to the Indian Ocean and the Persian Gulf). This shows how important transport links have always been for the social and economical development of the entire region.

In this regard, the IDEA Project will aim at capitalising on all progresses achieved so far in the region, particularly by further developing the role of the TRACECA Programme as a major catalyst for investment projects, and thus paving the way for those policy and institutional progresses that will be key for increasing the role of both International Financial Institutions (IFIs) and private investors.

Importantly, the IDEA Project also intends to:

- enhance transport dialogue and networks interoperability between the EU and its neighbouring countries and Central Asian countries, which is seen as essential for optimised regional cooperation in the transport sector;
- encourage a greater level of integration and compatibility between the national transport systems. Indeed, they mutually serve as transit countries, securing not only the access to the local economies, but also to the other adjacent countries sharing a border with the TRACECA region.

Therefore, the IDEA Project is expected to define the future structure and role of the TRACECA Programme, in order to further strengthen its contribution to delivering a sustainable, efficient and integrated multi-modal transport system in the region.

2.2 Status of the Project at the time of reporting

The IDEA Project is of utmost importance as, according to the European Commission, it will be the last one of the current TRACECA Programme and, consequently, it will be called to capitalise all progresses achieved so far in the region.

Project mobilisation and inception

The Project started its on-site activities as from 02 June 2009 with the location of the TRACECA PS in Baku as base of operation. The IDEA-team took up three office rooms in the PS building. It is understood that physical proximity and hence shorter communication routes to the PS as central beneficiary of the Project should increase effectiveness and cooperation throughout the duration of Project implementation. The IDEA-team has established a close working relationship with the PS Secretary General and his expert staff. The need for an additional office in the western TRACECA region has so far not arisen, hence no other project offices were established in contrast to



what was mentioned in the Technical Proposal. Two office staff – logistics manager and translator/interpreter – receive specific training-on-the-job (such as on computer programmes); additional office staff can be employed for periods of extended work input on short notice.

During the inception period, meetings had been held with stakeholders in each beneficiary country based on the above-mentioned division of the TRACECA area among the three Project key experts. These meetings at an early stage of the Project have enabled the IDEA-team to understand the specific issues at stake and to exchange with most IFIs on site information about individual programmes and projects both ongoing and in the planning stage.

Recent achievements

The mobilisation and inception phases of the IDEA Project have been completed successfully. Since delivery of the Draft Inception Report on 24 August, and of the Final Inception Report on 15 September 2009, only somewhat more than two months have passed. During that period, the Project has firmly consolidated itself and has organised a successful TRACECA coordination meeting in Brussels with representatives of TRACECA TA projects and National Secretaries of member countries.

Division of the TRACECA area among the Project's three key experts has proved beneficial, in that communication can be held tighter by the individual key expert concentrating on a smaller number of TRACECA National Representations. Also, each individual key expert is in the position to communicate and represent issues of interest to his colleagues since internal coordination and knowledge exchange of activities is fostered through regular internal meetings among the key experts.

Project coordination: The function of the IDEA Project as coordinator of all ongoing TRACECA TA projects necessitates some additional administrative work by the IDEA-team on site, done particularly by Key Expert 1. As a consequence, activities in the scope of transport dialogue under Component 1 have only in part transgressed the level of pure collection of information. Key Expert 1 is involved in the analysis of the so far collected documents, the Project's international and local short-term experts will carry these activities forward. The IDEA Project envisages the elaboration of a draft regional strategy as discussion basis for an IGC meeting during the end of the Project period. Also, the IDEA Project plans an improvement of the monitoring procedures for verification of the tasks requested within the Action Plans to the TRACECA IGC Long-Term Strategy, pending the quality of monitoring data presently being surveyed.

Transport database: Much time has been devoted to developing the GIS transport database. As a result of the additional activities not foreseen in the IDEA Technical Proposal, the labour input increased by more than a third due to the Project's international experts involved in the analysis of the Traffic Model and GIS Database. This adaption has implications on the time schedule of the key expert who is also responsible for most activities under Component 2. Prioritisation of investment projects has been started and is being methodised under strong contribution of the TRACECA National Secretaries, in order to give the TRACECA member countries ownership of the process and consequently the outcome of project prioritisation, and to come to a mutual agreement on the individual transport projects to be in the pipeline for selection by IFIs.

2.3 Coordination with ongoing TRACECA technical assistance projects

The following table lines out the technical assistance projects presently undertaken by the European Commission in the TRACECA region.



Ongoing TRACECA TA-Projects

	Project Title	Contractor and Mail Contact
1	Motorways of the Sea for the Black Sea and Caspian Sea (TACIS 2008/154904)	Contractor: Egis AVIA - marie-gaelle.chabot@egis.fr
2	Logistical Centres in Western NIS and Caucasus (TACIS 2008/154902)	Contractor: Dornier Consulting - Andreas.Schoen@dornier-consulting.com
3	Logistical Centres in Central Asia (TACIS 2008) www.logisticsec.kz	Deconcentrated to Almaty, Contractor: SAFEGE - Tomlkennedy@cs.com
4	TRACECA Land Transport Safety and Security" (ENPI 2008/150-664)	Contractor SAFEGE - joaquin.rodon@traceca-ltss.eu
5	Strengthening Transport Training Institutes in the NIS" (TACIS 2008/139583)	Contractor: NEA - RMe@nea.nl (Rene Meeuws) www.tracecatraining.org
6	Development of common Security Management System and Cooperation in the Area of Maritime Safety and Ship (RAP 2006)	Contractor: Mott MacDonald - Wim.Verheugt@mottmac.com and PARDO.FERNANDO@telefonica.net
7	TRACECA Civil Aviation Safety and Security (TACIS 2008/150669)	Contractor: Egis Avia - lgerlin@worldonline.fr

Source: European Commission, Brussels/Belgium, November 2009

Annex 2 lists the major characteristics of these TRACECA TA-projects. Even before the IDEA Project commencement, the EC emphasised that the Project needs to take on a leading role in coordinating with those projects⁵ and to take into consideration their activities⁶. From the first five TRACECA TA-projects on above list, the IDEA Project received progress documentation for information and analysis of potential cooperation measures. A synopsis of this documentation is also offered in this annex.

Coordination of TRACECA projects

During the kick-off meeting of the IDEA Project, a main conclusion was to build synergies among parallel TRACECA TA-projects. The IDEA Project will be the coordinating one, and also will deal with the final conclusions of its predecessor, the "Traffic Flows and Traffic Forecasts" project.

Together with the IDEA Project, the above projects – particularly the "logistics" ones – have many common issues, and therefore coordination meetings are needed to bring project experts closer and to exchange information. Coordination meetings are new at the European Commission (EC) and are deemed as relevant in the current stage of the TRACECA Programme, with the election of the new PS Secretary General (SG) in mid-June and the following restructuring of the technical secretariat.

The IDEA Project is involved due to its role of "umbrella" project, which has to take care of coordination and dialogue, while the other projects deal with the specific topics or technical issues. The EC intends to reinforce the cooperation among TRACECA technical assistance projects and therefore plans to hold a coordination meeting three times per year.

On September 24-25, 2009, a high-level meeting with National Secretaries (NS) and TRACECA TA-projects representatives was organised as coordination meeting. This meeting was structured as a thematic workshop, where the agenda was organised around a set of key issues which reflect the TRACECA Action Plan.

On November 30, 2009, the IDEA-team held a synergy meeting with team leaders of other TRACECA projects at the TRACECA IGC office in Baku with the following topics:

⁵ To this aim, an informal coordination meeting with these three "logistics-related" projects was conducted in Brussels on 12 May 2009

⁶ Activities are as stated by the team leaders of the relevant logistics projects and have been complemented by their respective inception reports



- TRACECA ATLAS;
- Traffic-flows data and border crossings in Central Asia;
- Traffic-flows data and border crossings in Western TRACECA;
- TRACECA ports as bottlenecks;
- Update the team leaders on the ongoing IDEA Project activities - data requirements and synergy potential from on-going projects; and
- Data available at the Permanent Secretariat and their accessibility for projects.

2.4 Recommendations for the remaining work period

Sustainable alternative corridor

The TRACECA Corridor is envisaged as an alternative to both the northern corridor running through Russia and Belarus and the southern corridor running through Iran and Turkey. Due to its intermodal nature, the TRACECA Corridor could only be competitive when connected and operated in a most efficient way. The IDEA Project needs to promote the TRACECA Corridor to be a sustainable alternative so as to offer a lifeline independent from surrounding geopolitics. To this end, the Project will

- assess the logistics performance of the TRACECA Corridor and its competing routes,
- show to all TRACECA member countries the benefits arising from having this alternative corridor.

Legislative, administrative and technical standards

Legislative procedures and regulatory frameworks must be adjusted to international standards in some TRACECA countries. Also, there is a need to realign technical standards and regulations as well as administrative procedures. These necessary adjustments will pave the way for cross-border projects and/or private involvement in building the South Eastern Corridor for the expansion of the Trans-European Transport Axes (the "south-eastern TEN-T axis"). The IDEA Project will therefore identify and promote opportunities for

- closer integration of the TRACECA member countries' legislative procedures, regulatory frameworks and technical standards with the EU,
- further technical interventions (projects) in terms of realignment of transport and trade facilitation legislation, ensuring closer integration between TEN-T and TRACECA.

Transport infrastructure

It is very important to guide the TRACECA countries through the process of creating a suitable environment for the efficient delivery and management of sustainable infrastructure. This process has to start together with the collection of adequate data and the provision of planning tools. Active guidance by the IDEA Project can avoid a loss of interest by the TRACECA countries over time. To create a sound basis for investment-project planning, the Project will

- improve the quality of the TRACECA transport database, data collection and traffic forecasting,
- select and prioritise transport-investment projects of genuine regional significance and with a realistic chance to be presented to investors.

Fully utilising the human resource potential in TRACECA member countries

The TRACECA member countries avail of a large, but widely unused, resource potential in terms of government institutions, public-private partnership (PPP) and



private direct investments. These stakeholders will contribute resources only when they see the benefits arising from the TRACECA Corridor. In order to raise this awareness, the IDEA Project, wherever possible, will

- assist in giving more ownership to stakeholders, be they public institutions, operators of transport means, or users of the transport facilities at large,
- have these stakeholders participate in programmed and structured thematic working groups.

Capacity and institution building

The opportunities and benefits of the IDEA Project can secure the cooperation and commitment of the TRACECA countries. Those benefits should be made visible to the beneficiaries through a comprehensive capacity and institution-building strategy. Building up mutual trust by the TRACECA member countries is essential for the future project implementation. Therefore, the IDEA Project will

- determine the current level of competencies and knowledge amongst the experts employed in the Permanent Secretariat headquarter and its National Secretariats,
- recommend on improved functioning, staffing and financing of the TRACECA Permanent Secretariat headquarter and its National Secretariats,
- coordinate the required training by establishing appropriate frameworks and training schedules.

Communication and dissemination of information on TRACECA activities

To have more stakeholders contribute their significant resources, their awareness as to TRACECA objectives and activities needs to be raised. More information details about TRACECA activities will improve the transparency in all member countries. To this aim, during the second half of the next work period the IDEA Project will

- design a communication and dissemination strategy,
- assess the scope and destination of TRACECA promotion materials.



3. Progress and Performance to date

Annex 3: Summary Performance Data, compares output in terms of planned against actually achieved milestone timing.

In contrast, the graphic on the following page depicts the progress towards achieving the objectives as laid out by the Project's Terms of Reference (ToR). This progress is measured in terms of activities which are currently underway, are planned for the next six-month period, or are projected to be undertaken during the remainder of the Project duration.

This Progress Report refrains from attaching percentages to the progress achieved or projected, and rather sets a scale of no, low, medium and large input in terms of activities. This is because progress in 'soft' activities such as policy dialogue can hardly be measured by hand of 'hard' figures. Over the entire Project period, the IDEA-team assumes all activities to be completed, hence every input (every row of the graphic) sums up to a hundred per cent.

The graphic indicates that work on Component 2 has progressed most, mainly due to the ongoing activities in prioritisation and short-listing of transport-infrastructure projects.

Due to the nature of tasks under Component 3, where activities depend on finalisation of certain activities under other components, most work will commence during the next six-month period.

In contrast, most work on Components 1 and 4 is performed independently from the other components, but needs to be commenced and partly finalised during the next period, such as activities related to the IGC Action Plans.

3.1 Activities undertaken

Annex 4: Monitoring and Evaluation Plan, depicts the distribution of the IDEA-team's activities during the past six-month period and their inputs as to person-days of key and short-term experts.

Annex 5: Distribution of Tasks and Activities among Project Key Experts, points out the primary responsibilities of the Project's three key experts. In detailing the Project's ToR, the four project components, which are allocated to the corresponding individual key experts, are further broken down by activities according to the key experts' expertise. Activities within *Component 1: Supporting implementation of TRACECA Long-Term Strategy and related Action Plans*, and *Component 4: Communication and Dissemination*, are generally under the responsibility of Key Expert 1: Team Leader / Transport Policy Expert. Some technical activities have been taken over by the other two key experts in accordance with their fields of expertise. The primary responsibility for *Component 2: Project identification and project definition* – with the exception of PPP – rests with the Key Expert 2: Transport Project Development Expert. *Component 3: Mobilisation of Funding*, is entirely under the responsibility of Key Expert 3: Financial and PPP Expert.



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Transport Dialogue and Interoperability between the EU and its neighbouring Countries and Central Asian Countries



Actual and envisaged progress towards achieving objectives (in terms of activities)

No.	Specific Objective	Activities		
		under way	planned for next Period	beyond next Period
<i>Objectives 1 and 2 in relation to Work Component 1</i>				
1	Coordinated strategy in place and working between countries to strengthen regional transport cooperation			
2	Specific actions required by Action Plan 2008-2009 and definition of input for Action Plan 2010-2012			
3	Regional transport and infrastructure conferences at Ministerial level			
4	Ensuring the sustainability of TRACECA's transport and traffic database system			
5	Re-balancing within the TRACECA Long Term Strategy to 2015 and roll out of monitoring tool			
6	High quality and successful training programme, including a "Train the Trainers", programme			
7	Training programme for TRACECA PS in financing and best practices for promoting IFI and PPP investment			
8	Thematic working group structure working, minimum of eight working groups to be convened			
9	"Financing and Investment Manual" for operational use and awareness training by PS and member countries			
10	"Readiness assessment" of TRACECA member countries for PPP legal and regulatory arrangements			
11	PPP awareness in TRACECA region; conference focusing on PPP for infrastructure investment			
12	"Working community" comprising TRACECA network and IFIs with dedicated coordinators			
13	Convene a minimum of two regional coordination meetings for participation by IFIs			
14	Changes to PS governance and organisation structure together with proposed amended funding mechanisms			
<i>Objectives 3 and 4 in relation to Work Component 2</i>				
15	project pipeline database for screening, selection and evaluation of potential TRACECA projects			
16	Short list of infrastructure and transport projects meeting the criteria of a TRACECA regional project			
17	Project pre-appraisals on agreed short list for cost benefit analysis, economic / financial case & ranking			
18	Structured discussion with IFIs of shortlisted projects to ascertain level of interest in fund mobilisation			
19	Identification & definition of at least 2 regional infrastructure & transport projects fit for PPP structuring			
20	Documented methodology for PS use covering project cycle for project identification and project definition			
<i>Objectives 4 and 5 in relation to Work Component 3</i>				
21	Secure acceptance with IFIs to undertake at least 2 full feasibility studies on TRACECA originated projects			
22	At least 2 pre-feasibility studies jointly and with sponsorship and backing of IFIs			
23	At least 2 bankable TRACECA originated projects with committed IFI investment funds and/or co-financing			
24	At least 2 identified TRACECA regional infrastructure projects considered for possible PPP structuring			
25	Practical support and technical advisory services for the proposed Business Advisory Council			
26	Practical support and technical advisory services for the set up of the proposed TRACECA Investment Fund			
<i>Objective 5 in relation to Work Component 4</i>				
27	TRACECA programme activities, materials, results and other information produced and widely disseminated			

No Input Low Input Medium Input Large Input



Component 1: Supporting Implementation of TRACECA Long-Term Strategy and related Action Plans

Working groups, conferences and other meetings

During the first six months of the IDEA Project period, three meetings were held in Brussels. Additionally, a meeting was held in Baku to draw on synergies from other TRACECA projects for the promotion of the GIS database and traffic forecast.

Project kick-off meeting on 12-13 May: On 12 May afternoon, a Logistics Coordination Meeting was held with participants from the European Commission and representatives of the TRACECA “logistics-related”⁷ projects due to their multitude of common issues. This was the first coordination meeting of its kind, the EC decided to hold regular coordination meetings in order to facilitate the IDEA Project’s role to coordinate external communication activities of the TRACECA projects involved in logistical tasks.

In the morning of 13 May, an informal briefing was held with the predecessor project in which EC-officials and the IDEA-team took part.

- The group discussed the results of the predecessor project, access to data and connection between model and GIS, viability of traffic projections, migration of model and data from STAN to VISUM package, status of the Business Advisory Council (BAC), and office hand-over procedures and details.

On 13 May afternoon, the IDEA Project officially commenced with a Kick-off Meeting under participation of EC-officials and the Project and consortium members. Main decisions of the participants as to scheduling of the IDEA Project were to

1. have the High Level Kick-off meeting of our IDEA Project take place at the IGC meeting at Issyk Kul / Kyrgyzstan on 15 June,
2. conduct an extensive stakeholder mission in all TRACECA member countries during an inception phase extended to mid-September, and
3. convene the next coordination meeting in Brussels in September after distribution of the Final Inception Report.

The ensuing time period until fielding the key experts on the 2nd of June was used to

- mobilise the experts, review and analyse relevant documents, and update on the activities of related ongoing TRACECA projects. Subsequently, the three key experts set up the project office, purchased and installed communication and other electronic equipment, and detailed their work programme and activities.

Project progress meeting on 22 July: The Project progress meeting was held on an internal level limited to EC-officials and IDEA Project members, who analysed in detail the progress on preparation of the Inception Report, traffic model and TRACECA web-site. The meeting participants also decided on the following actions:

- *Logistics Performance Index:* on the basis of available studies, own databases and – where needed – ad hoc surveys and/or interviews, the IDEA Project will study the generalised (time and monetary) cost of a container shipment between different origin/destination pairs (Europe-Asia and vice versa) and through different routes across the TRACECA corridor in order to show where the major delays occur;
- *Private-Public Partnership:* treatment of the PPP theme in terms of capacity building will need to be discussed at both levels, i.e. the IDEA consortium and the EC services; the Programme Transport Manager suggested that there might be the possibility to prepare an addendum to the IDEA contract in order to better clarify the interpretation of PPP activities in the project; cooperation with the TRACECA training project was also suggested;

⁷ These were in particular the following three projects: Motorways of the Sea, International Logistics Centres in Western NIS and the Caucasus, and International Logistics Centres in Central Asia.



- *Project feasibility:* at this stage of the project no pre-feasibility studies will be conducted because the methodology for the analysis and selection of the “optimal” projects is still not fully developed and – consequently – still not operational;
- *Data:* the Country Data Collectors have been very inefficient, and large data gaps still exist in the GIS and model databases of the predecessor project. A method will be set up and refined after the inception phase to directly involve GIS and model users to become data providers, and to operate the TRACECA Programme web-site.

Project coordination meeting on 24-25 September. On September 24-25, 2009, a project coordination meeting with National Secretaries and representatives of the TRACECA TA-projects was held in Brussels.

- The IDEA Project organised the logistics and assisted in preparing the contents of this meeting. To this aim, Key Expert 1 elaborated and distributed framework matrices covering the three topics
 1. trade facilitation and logistics,
 2. safety and security in transport, and
 3. infrastructure development,to assist the National Secretaries in the preparation of their introductory presentations.

At the coordination meeting, after welcome addresses from the IGC Secretary General TRACECA and the European Commission, the above-named three topics were introduced by a majority of TRACECA National Secretaries and referred to by various heads of the EC and by experts of ongoing TRACECA TA-projects with a variety of relevant presentations.

Working groups: As preparatory literature and internet research, Key Expert 1 assessed and evaluated the status, performance and progress of the working groups established during the past two years of the predecessor project. An assessment of the impact of past WGs onto progress in implementation of the IGC Long-Term Strategy proved to be biased since no other records are available.

- For instance, the IDEA Project evaluated overall costs per participant for the various meetings organised by the predecessor project with the result that Chisinau / Moldova, Bucharest / Romania and Istanbul / Turkey have been the most economical venues during the last two years. On contrast, meetings held in Brussels / Belgium, Odessa / Ukraine and Baku / Azerbaijan had been the most expensive ones per participant.

At present, working groups are being initiated from two sources:

1. The PS identifies the requirement for issues to be prepared or resolved resulting from decisions taken by IGC meetings; tasks and timing therefore strongly depend on the next IGC meeting; or
2. The European Commission sees the need for a specific working group and requests the IDEA-team to schedule the WG meeting accordingly.

A programme to schedule and deliver thematic working groups was already preliminarily discussed with the PS experts.

Project road-show and stakeholder analysis

Following the Intergovernmental Conference at Issyk Kul / Kyrgyzstan in mid-June 2009, the IDEA key experts conducted a road-show and stakeholder-analysis mission during the months of July and August. To this aim, the key experts allocated their



individual mission areas within the overall TRACECA region by dividing it into a Central Asia, a South Caucasus/Turkey and a South-Eastern Europe mission target:

Key Expert 1 : Armenia, Azerbaijan, Georgia and Turkey;

Key Expert 2: Bulgaria, Moldova, Romania, Ukraine; and

Key Expert 3: Kazakhstan, Kyrgyzstan, Tajikistan, Turkmenistan, Uzbekistan.

The key experts will keep responsibility over the coordination function in these TRACECA areas for the entire duration of the Project.

One of the mutually agreed decisions of the Project Kick-Off Meeting in Brussels on 12 May 2009 was that indirect beneficiaries of the TRACECA projects need to be addressed since many of them constitute important stakeholders. The later detailed analysis and incorporation of relevant information into the IDEA Project process will help ensure that

- resources are appropriately targeted to meet distributional/equity of objectives and the needs of priority groups,
- management and coordination arrangements are appropriate to promote stakeholder ownership and participation; and
- conflicts of stakeholders' interest are recognized and explicitly addressed in project design.

The stakeholder analysis is divided into project introduction missions and subsequent analysis of their results. Following general findings could be preliminarily deduced from the introductory stakeholder missions so far conducted:

1. External trade (notably exports) of essentially all Asian TRACECA member countries remains very limited and non-diversified.
2. Road carriers encounter barriers against road cargo haulage, such as political problems, bad road and multi-modal connections, corruption / extortion, complicated visa-issuing procedures, one-time permissions for import, export or transit of cargo, high road tolls; and limited customs working hours. In the past, national financial interests in fast income generation have superseded the interest in regional economic development by slowing down improvements in the dismantling of barriers against road cargo haulage in the TRACECA region. As consequence, excessive road haulage charges between Europe and the Caucasian / Central Asian countries will cause trade to increase between the region and western China, where industries are expected to be established.
3. At present, commercial banks hardly finance road or rail infrastructure projects in any TRACECA member country, since either the banks' capital endowment is very low, or because there still do not exist concession laws or frameworks to involve the private sector.
4. Other main themes emerged after the key experts' respective visits in the Caucasian countries of Armenia and Georgia and the Central Asian Kazakhstan, Kyrgyzstan and Uzbekistan:
 - a. lack of traffic/demand data for proper assessment of projects feasibility,
 - b. importance of regulations/procedures on trade facilitation,
 - c. opportunity of TRACECA cooperation with ADB's CAREC,
 - d. relevance of trade exchange with Russia,
 - e. interest of Kyrgyzstan in the TRACECA programme and EC cooperation,
 - f. poor knowledge and relevant normative gaps related to PPP, and
 - g. profitability of Central Asia rail and road transport enterprises.

The final report will be elaborated as a working paper during the next working period



(see Chapter 4.2).

- During their mission and immediately afterwards, the key experts wrote their initial Stakeholder-Analysis Report.

National Transport Policies and TRACECA Action Plans

In order to mobilize regional and international sources of funding and promote public-private partnerships as recommended in the Strategy, the Action Plan 2008-09 sets as one priority during that period the elaboration of transport-infrastructure master plans outlining the national strategy with regard to infrastructure investment, and the expected state engagement in this regard over a period of at least five years.

National policy plans will complement the national infrastructure master plans and set the context for transport development and integration. More specifically, these plans should spell out the time plan for regulatory reform in the road, railway, maritime and air sectors including the accession to and implementation of international conventions; as well as the time and organizational plan for the establishment of market rules for competition and decentralization of management across different modes of transport.

- During the inception phase of the Project, Key Expert 1 conducted a preparatory literature and internet research by scanning progress and final reports of on-going and implemented TRACECA EC-projects, among others particularly the various reports produced by the TA 'Development of national transport policies', the TA 'Trade Facilitation and Institution Support' and the TA 'Common Legal Basis for Transit Transportation'.
- The key expert investigated status quo and quality of national transport policies and strategies existing in the TRACECA region. Presently, transport strategies are in place in most TRACECA member countries with the exception of Azerbaijan and Ukraine (published, not ratified), of Kyrgyzstan and Turkmenistan (not identified).
- After termination of the inception phase, Key Expert 1 undertook a preliminary analysis of progress made in the countries in regards to actions plan items. This analysis he conducted through discussions with the relevant PS experts and a partial follow-up with the National Secretaries of his region of responsibility South Caucasus / Turkey. From this partial analysis it was found that the progress made so far is minimal. Even before the already distributed Action Plan Report Forms⁸ on accomplishment of Action Plan tasks have been returned, the PS has included all action points of the Action Plan 2008-09 into the Draft Action Plan 2010-12.
- Inventory-taking of most activities was widely initiated after finalisation of the Road-show and Stakeholder Analysis Mission in end-August 2009, and was generally completed by the end of the last working period.

Improvement of land, maritime and aviation safety regulations and measures constitute three of the total ten action points within the Action Plan 2008-09. To bring these action points further, the IDEA Project already explored the potential of the equivalent three ongoing TRACECA TA-projects:

1. TRACECA Land Transport Safety and Security" (ENPI 2008/150-664),
2. Development of common Security Management System and Cooperation in the Area of Maritime Safety and Ship, RAP 2006, and
3. TRACECA Civil Aviation Safety and Security (TACIS 2008/150669).

Traffic model

The IDEA Project requires a freight transport model to identify current and future

⁸ Information Report of Party to the MLA for 2009 on realization of the Action Plan 2008-2009 in the framework of the implementation of the Strategy of IGC TRACECA for the period up to 2015.



bottlenecks and shortcomings in the transport network of the TRACECA area, to conduct a pre-screening of projects and to conduct feasibility studies of selected projects. The ECA-TRANS model, as it has been provided by the predecessor project, appears not to be fully applicable for these requirements, and consequently the IDEA Project – due to the competences and experience of the technical team - has been asked to substantially improve the model.

Between the 3rd and 13th of June, one visiting international short-term expert together with one key expert initially appraised the Traffic Model, Transport Data Base and Webpage during the GIS-training session conducted by the predecessor project in Baku. The ECA-TRANS model developed by the predecessor project, originally provided in software STAN but then transferred to software VISUM, was analysed and evaluated. The model itself is of very limited use due to the following main reasons:

1. The network models are very simple, the base year model contains only a limited number of links, represented by straight lines only, the forecast models include only a very limited number of additional links
2. No transport demand model was developed and submitted, the model is simply based on trade statistics. This means that ECA-TRANS does not contain a model structure or approach explaining transport demand. ECA-TRANS cannot be used to forecast future conditions and to analyse impacts of changes to the future transport system (e.g. projects for network improvements).
3. The model contains 121 traffic analysis zones for the whole TRACECA area including surrounding countries. This allows to represent only long-distance transport crossing at least one national border. Russia and China are represented by only 1 zone each. This does not allow to represent transit flows through Russia or flows from different parts of China.
4. The documentation of the model, the approach and methodology, the assumptions and the data used is limited and insufficient. Particularly, there is no evidence on model calibration and validation.

The need for a transport model was also described and presented at the coordination meeting in Brussels on 24 September 2009. A transport model is needed to identify and prioritise transport development projects (Phase I) and to establish impacts and effects of projects in traffic flows, transport demand, economic development and environment (Phase II).

An approach to upgrade and redevelop the transport model for the TRACECA area was described and submitted to the European Commission. Work on the model started in mid November 2009. The objective is to finalise the base year model by the end of March 2010 and the forecast models for 2020 and 2030 by the end of May 2010.

GIS transport database

The TRACECA GIS Database as developed by the predecessor project was officially handed over to the PS in Baku on 30 September 2009. Apart from official TRACECA PS staff, and official delegates from the EC Delegation to Azerbaijan, this handover was also witnessed by participants from the IDEA Project.

Prior to this handover session, the predecessor project had installed a web server along with MapInfo and MapXtreme software, dedicated to host the TRACECA web map application. The TRACECA GIS database was provided on CD-ROM in different GIS formats (ArcGIS, MapInfo, TRT), together with an electronic database user manual. The IDEA project team obtained one copy of the database CD-ROM. After the TRACECA web map application was installed, it was locally and remotely tested.

Since this handover session, a process was triggered by the IDEA consortium to check



the quality and accuracy of the TRACECA GIS database. This process, however, is still ongoing. Based on initial findings of this test, and based upon recommendations by the predecessor project and based upon discussions with the Permanent Secretariat, an action plan for the further development of the TRACECA GIS database and for the continued future data updates has been developed. Main focus of this action plan is to establish structures and procedures for harmonized future updates of the TRACECA GIS database and for the future further development of TRACECA web GIS application. The action plan identifies three main tiers in relation to the TRACECA GIS, including 'Operation', 'Contents' and 'Functions', with different responsibility assignments. The action plan furthermore suggests establishing a so-called 'GIS experts group' with delegates from each country (one GIS expert per country, plus PS) responsible for future updates and application developments. The main idea of this approach is to clearly assign responsibility for the GIS to the TRACECA countries, while enabling them in technical and administrative terms to implement all necessary actions in relation to the TRACECA GIS. The action plan details all necessary steps over the next months for the establishment of the GIS Experts Group. The action plan has been prepared both as 'Powerpoint' file and as a short report.

In order to establish a comprehensive and overall GIS database for the TRACECA space, all EC-funded projects related to TRACECA were invited to Baku for the end of November to discuss data needs, already available data, data collection and data sharing. The idea was that all projects inform each other about their data needs and actual data at hand, and to discuss timelines for future data exchange.

One of the (future) fields of applications of the TRACECA GIS database are traffic forecasts through transport modelling. The predecessor project effectively ended up with two databases, of which the first one is the GIS database, and the second one is another ASCII-file based database for a traffic model. Eventually, this solution leads to a duplicated database, which is deemed sub-optimal in terms of data updates and tight integration between the GIS and the transport model. Thus, the IDEA Project started to assess if and how the two databases can be merged into one overall database fitting the needs both of the TRACECA GIS and of the traffic modelling.

Restructuring of the Permanent Secretariat

Following the conclusions of the Baku Intergovernmental Conference that took place in Baku on 04 December 2008, the IDEA-team started to assist in launching the transformation of the PS as an important step to increase the network effectiveness.

- Together with a PS expert, Key Expert 1 drafted a concept paper lining out the necessary steps required to give more ownership in the development of TRACECA to its member countries.

This objective would be achieved along a four-step approach:

1. Strengthening the position of the National Secretaries to guarantee deciding and delegating powers. The National Secretariats could be located within the Ministry of Transport on a sufficiently high level to guarantee deciding and delegating powers.
2. Concentration of PS Headquarter onto core (coordination and decision) functions. All other functions could be completely devolved to the NS. Staffing at PS Headquarter should be concentrated onto core functions.
3. Delegation of more functions from the PS Headquarter to the National Secretariats. As the NS are envisaged to be embedded within the Ministry of Transport structures, additional staffing of National Secretariats could be limited.
4. Improvement of coordination / collaboration between PS headquarter and National Secretariats, for instance through regular scheduled meetings. Requests for meetings between PS Headquarter and the NS could also be initiated by the



National Secretariats. Attendance of National Secretaries during meetings with the PS Headquarter should become obligatory.

The PS Secretary General presented and discussed this paper at the European Commission in early September 2009. Reformation of the PS was an important point also on the agenda for the Coordination Meeting in Brussels on 25 September 2009.

The TRACECA IGC Permanent Secretariat requested the European Commission to resume (partial) financing of the TRACECA structures (starting as from 2010) in view of the planned extension of the PS activities and in this connection guided by the MLA basic provisions. To accompany this request, the regular meeting of the National Secretaries of the TRACECA IGC Permanent Secretariat on 25 September 2009 in Brussels / Belgium recommended to submit for coordination by the MLA Parties in December 2009 the Report on Structural Reforms of the PS and to make a decision at the forthcoming Eighth TRACECA Annual Intergovernmental Conference to be held in the Republic of Moldova in 2010.

Component 2: Project Identification and Project Definition

Methodology for project prioritisation

One of the main objectives of the IDEA Project is to have a list of solid and bankable projects of genuine regional significance for 2011 with a realistic chance to be presented to investors and the IFIs. The chairman of the session on infrastructure development at the Brussels coordination meeting, therefore suggested to try to internalise a comprehensive methodology for selecting and prioritising projects, based on different groups of criteria which are weighed in order to estimate the score of each project; the projects with the highest score are then included into the priority list. Importantly, this methodology should be adapted to the TRACECA requirements and should have a sense for the entire TRACECA region or for two or three groups of homogeneous countries, and once adopted and agreed upon, a number of flagship projects that show a real value added can be produced. Finally, the regional envelope has to be the basis/framework for the selection of genuine regional projects that can reflect regional cohesion.

The chairman stated that, based on the average quality data currently at disposal, there is no possibility to endorse any definitive list of projects, and proposed to organise regional and sub-regional meetings for transforming the approximately 50 projects into regional projects (with the support of the IDEA Project) and to discuss the role of competing regional initiatives. The EC could provide technical assistance for good, sound and solid projects, in order to get support from financial institutions.

The process of identifying priority infrastructure projects for the extension of the TEN-T to parts of the TRACECA region and the development of a Europe-TRACECA transport network will increase the capacity of attracting funds from regional and international donors for the selected priority projects.

Concerning the screening and identification of the TRACECA originated projects that will be selected for feasibility and funding, this needs to be based on a sound methodological approach as far as the appraisal process is concerned. In this respect the project will pay a particular attention to a set of criteria, such as regional interest, socio-economic and environmental impacts, interoperability and intermodality, accessibility. These criteria will be of help in prioritising the projects to be funded, according to their strategic relevance and financial sustainability.

In performing such work, the IDEA Project proposes a four-step approach:



1. Analysis of the socio-economic context and the objectives (qualitative assessment of socio-economic context and objectives that the proposed project investment is expected to achieve);
2. Clear identification of the project (evaluation of its direct and indirect costs and benefits);
3. Feasibility assessment and identification of possible alternative options (the justification of the project design against alternative scenarios: “business as usual”, “do–minimum”, “do-something” and “do–something else”); and
4. Financial and economic analysis, and risk assessment;

This approach is based on the previous and solid expertise gained with the work that has been done for the European Commission in preparing the Guide to Cost–Benefit Analysis of Investment Projects⁹.

Under the predecessor project it was agreed that each National Commission builds a mutually agreed database with mutually agreed selection priorities¹⁰. The project then screened about 50 priority projects – of which 3 projects were said to be at a marketable stage – from all TRACECA member countries except for Turkmenistan. Part of these priority projects were presented in the Working Group meeting on Transport Infrastructure in Bucharest in February 2009.

Preparation of TRACECA Investors (Finance) Forum: Key Expert 3 is currently working on the preparation of the possible IDEA Project road maps to arrive at the TRACECA Investors (Finance) Forum, depending on the nature of such a forum.

3.2 Resources and budget used

During the first period, budget resources have been allocated for covering the:

- costs related to the project experts’ fees; and
- incidental expenditures.

Concerning the first component, in the initial phase the IDEA Project has spent 11% of the overall total budget allocated for the heading related to the expert fees. More specifically, the Project has approximately used:

- 20% of the available resources for each key expert;
- 8% of the available resources for the international short-term experts; and
- 1% of the available resources for the local short-term experts.

This important difference in the amount of resources spent is due to the nature and scope of the activities carried out in the first period, which mostly demanded a contribution from the key experts aimed at: (i) making the project known in the TRACECA region, (ii) analysing the current transport state-of-the-art in the various countries, and (iii) proposing an agreed methodology for the project selection that will be developed in the future phases of the IDEA Project.

Consequently, and apart from the management and coordination activities secured by the Project Coordinator, the technical contribution provided by the international short-term experts has been limited. The same applies to the technical involvement of the local short-term experts.

⁹ The full text of the EC Guide to Cost–Benefit Analysis for investment projects is available at:
http://ec.europa.eu/regional_policy/sources/docoffic/working/sf2000_en.htm

¹⁰ Mutually agreed internal rate of returns should serve as cut-off rate to distinguish projects between public and private financing possibilities. For instance, ADB accepts for own financing only projects with an economic IRR above 12% (all other projects do not provide social benefits sufficient for IFI financing) and a financial IRR below 12% (all other projects need to be financed by the private sector).



With regard to the incidental expenditures, and besides the expenses borne for covering the renting and running costs, the large part of the budgeted resources for the first period has been used for covering two groups of costs:

- Conferences and coordination meetings; and
- Mission of experts (travel tickets and "per diem").

The first group of costs refers to the organisation and preparation of the coordination meeting that took place in Brussels from the 23rd to 25th September 2009, the only major event organised during the first reporting period. These costs include both the logistics (hotel accommodation, catering, dining) and the coverage of travel costs (tickets, VISA and transfer from/to the Brussels airport) and per diems of the TRACECA Delegates that attended the meeting.

The second group costs are inherent to the missions (approved by the EC) of key and short-term (both international and local) experts. In total, 13 missions have been approved during the first reporting period. Again, such costs include the travel costs (tickets and transfers from/to the airport/station of destination) and the reimbursement of per diems.

Together, the budget headings of these two groups represent about 95% of the total budget resources for incidental expenditures spent during the first period. Overall, 5% of the total project resources for incidental expenditures have been consumed.

3.3 Risk management and sustainability

Annex 1: Logical Framework Matrix, updated from the Technical Proposal and the Inception Report also as to its constraints and assumptions, indicates the IDEA Project's approach to risk management and sustainability. Assumptions that may be hardly influenced by the Project activities are:

- Continued strong political commitment and technical support are provided by the new PS and the TRACECA member countries;
- Partner governments and authorities are ready to cooperate where necessary in the priority areas, and to take measures required in the terms of endorsement of adopted legal, technical and institutional reforms and adequate resource allocation;
- IFIs are open and willing to fully cooperate in the desired coordination activities and joint project preparation;
- TRACECA member countries are open to fully share trade and transport data; and
- Investments are redirected into securer long-term transport-infrastructure projects due to the economic crisis.

The Project development is faced with tremendous risks on inter-country, country and project level. The TRACECA countries are at very different levels of legislative and administrative standards in infrastructure. Obviously, legislative procedures and regulatory frameworks must be adjusted to international financing standards in some countries. Furthermore, there is a need to realign technical standards and regulations as well as administrative procedures. The necessary adjustments will pave the way for cross-border projects and/or private involvement. Risks outside of the IDEA Project's influence are:

- TRACECA member countries enter into individual bi-lateral agreements and preferential treatments rather than create agreements based on international standards. Standards adopted are frequently outdated and incur additional costs.
- Borders are closed between certain countries. It is essential to maintain good communication between the transport key stakeholders of the neighbouring countries. Certain political disputes between countries will not totally prevent the



transport specialists in those countries communicating and cooperating in full. Effective cooperation can be maintained utilising the current TRACECA mechanisms, including the Permanent Secretariat, and drawing upon the diplomatic abilities of the Team Leader and other members of the team.

- The benefits of free market entry for operators (including cross-border services) and fair competition on price and quality of service (subject to strict regulation on safety and environment) are still not fully appreciated.

Assumptions that, conversely, may be positively influenced by the project activities are:

- Key personnel and counterpart staff are appointed and made available in time and in the required extent and qualification to participate in the project activities;
- Assistance in provision of office space together with logistics support is provided by TRACECA member countries;
- Upgrade of the transport model software will not be completed in time; and
- The GIS expert group will not achieve a complete collection of traffic data to finish development of the GIS Database.

The last two above described risks (Traffic Model and GIS Database) are related to activities which would have needed to be delivered by IDEA's predecessor project. The Project's ToR and subsequent offer relied on the existence of these useful tools to be elaborated by the predecessor project. In the absence of these tools, there exists a clear risk for the Project's performance and for the related commercial aspects and achievement of deliverables.

There also exists the risk that the TRACECA member countries over time lose interest in the development and consolidation process. A loss of interest is probable if the framework for project implementation is not in place. If so, the processes will be delayed for years and the implementation becomes less likely. Therefore, the common transnational understanding of the risks, sustainable infrastructure delivery and management between the countries must be build up step by step. It is very important to actively guide the TRACECA countries through the process of creating a suitable environment for efficient delivery and management of sustainable infrastructure.

3.4 Key issues arising and action required

Gaps between ToR and actual output of the predecessor project and resulting time and budget constraints on the IDEA-Project

The work plan for the next six-month period is highly influenced by the outcome of the predecessor project. There has been an overlap period of a couple of months between the two projects, as the IDEA Project started on 12 May 2009 and its predecessor project ended on 06 July 2009. During the month of June the technical staff of the two projects had a period of co-habitation in the Permanent Secretariat building; data and information were exchanged between the two projects during that period, although both teams were at critical stages, the predecessor project was finalising the final technical and financial reporting and the IDEA-team was setting up their new office.

Although some problems had been already underlined during the informal meeting of 13 May 2009 in Brussels, after the overlap period, it became definitely clear that there were a number of issues where the outcome produced by the predecessor project was not in line with what could have been legitimately expected on the basis of the IDEA Project's Terms of References. Such a situation has implied a re-arrangement of the Project work plan and budget. The main issues under discussion are summarised here below:

1. Transport model,



2. Selection of transport-infrastructure projects,
3. GIS transport database and data collection,
4. TRACECA web-site, and
5. Mobilisation of short-term experts.

Transport model

The implications are greater for the transport model “upgrade”, where additional activities have been planned (with budget and time constraints), while for the other topics, the consequences are related to re-scheduling of activities.

Selection of transport-infrastructure projects

The predecessor project screened a number of priority projects from all TRACECA countries (except for Turkmenistan) on the basis of the suggestions of the same countries. These projects were presented in the Bucharest Working Group on Transport Infrastructure in February 2009. As no prioritisation criteria were clearly defined, their regional dimension (and the TRACECA value added) was in many cases unclear. Such a situation led to the postponement of the TRACECA Investors (Finance) Forum which would have been held at the end of the predecessor project. Therefore the problem is that neither the Finance Forum nor its preparatory work (project prioritisation and selection) were completed.

GIS transport database and data collection

During the last months there were a few technical failures of the GIS database set up by the predecessor project (formally handed over on 29-30 September in Baku) and the Project Secretariat also made a formal complain about these (see letter to European Commission dated 26 August 2009). In addition to these technical problems, the structure of the database requires significant improvements as well as the procedure for the continuous update of such a database.

It will be possible to identify priority projects for submission to (pre)feasibility studies in preparation of funding and implementation only based on sound traffic forecasts. In the short-term, the priority for TRACECA countries under this pillar must therefore be the collection of transport data and compilation of transport statistics towards the set up of a standardized transport database and the preparation of comparable traffic forecasts. Therefore, the IDEA key expert considered the following key issues:

1. The TRACECA member states need to assume and exercise responsibility for all tasks related to GIS database;
2. A clear assignment of responsibilities and of tasks needs to be established between PS and the TRACECA countries;
3. The coordinating IDEA Project shall no longer be responsible for actual data collection or data harmonization, but shall actively support the proper implementation of the new rules of procedures and provide training where needed;
4. A special GIS experts group (highly qualified technical GIS and IT experts) need to be established, with one expert per country (plus one expert from the Permanent Secretariat);
5. The assigned GIS experts then form the core of the ‘data collection mechanism’.
6. That way the ‘ownership’ for the GIS database and for the GIS web map application needs to be transferred back to TRACECA member countries.
7. Consequently, the TRACECA member countries shall be responsible for data collection, their financing, data availability, data checking and integrity.



8. The Permanent Secretariat to focus on provision of central location for database hosting and technical support to implement measures.

TRACECA web-site

The features were prepared in form of a questionnaire to obtain feedback from the TRACECA National Secretaries during the coordination meeting in Brussels. The questionnaire listed a set of potential features to be added to the existing TRACECA web-site aiming at increasing synergy among projects, streamlining information and efficient dissemination of TRACECA investment opportunities and project fiches / (pre)feasibility studies. The participants had to give judge 10 features a 6 level scale ranging as Strongly Agree / Somewhat / Neutral / Somewhat Disagree / Disagree/ Strongly Disagree The table in Annex 7 shows the results of the questionnaire.

In particular the participants showed no objections (STRONGLY DISAGREE) to any of the features. Only 11% voted against publishing the events and proceedings of TRACECA meetings within a library. The rank of the acceptance of the feature will be guidance during the technical implementation of the web-site.

Additional comments were received to those features, in particular:

- There should be an agreement on what information shall be free and what information protected by passwords;
- To add a section for Information on the Freight Forwarders, expeditors, operators working on TRACECA corridor routes, freight on the different parts of the corridor;
- Data bases must be updated regularly.

Mobilisation of short-term experts

During the past period, the IDEA Project has employed local short-term experts only on a limited number of days. The IDEA-team intends to significantly increase the number of assigned international and local short-term experts¹¹ during the next period. About 400 person-days of international and local short-term experts are planned to be additionally required for finalisation of the Traffic Model and GIS Database and the elaboration of traffic forecasts.

¹¹ Both international and local short-term experts will be mobilised by hand of an assignment request detailing the activities, deliverables and required number of person-days.



4. Work Plan for the next Working Period

Description of the following activities is based on [Annex 6](#): Annual Work Plan for next Working Period, which also gives an indication of the planned input as to person-days. [Annex 9](#): Work Programme for the entire Project Period, needs to be consulted in order to see the individual activities structured in the context of the entire Project.

4.1 Output to be delivered

Component 1: Supporting Implementation of TRACECA Long-Term Strategy and related Action Plans

Transport model

The IDEA-team was requested to submit a technical and financial proposal for the additional modelling activity, which was presented to the European Commission on 10 November 2009. These additional modelling activities require *additional* resources of international short-term experts, while the contribution of the local short-term experts is considered as part of the current IDEA budget.¹²

The proposed schedule is an ambitious and challenging one. Taking into account the Christmas break, assuming that the activity starts in mid November, the base-year model would be ready by the end of March 2010 and the forecast model (which provides transport forecasts for the baseline scenario until 2030) would be completed by May 2010.

A1.1# Support for implementation of TRACECA Long-Term Strategy and related Action Plans, and strengthening of political and transport dialogue mechanisms

From the Work Programme in Annex 9 it becomes apparent that many activities planned under Component 1: "Transport Policy Dialogue ..." will be undertaken during the next Project period. During the next half year, Key Expert 1 will put much emphasis on carrying forward above activities because these

- are time-sensitive, for instance progress on the Action Plan 2008-09 must be analysed and evaluated in early 2010, and action issues and recommendations for improvement to be followed up from the Action Plan 2008-09 need to be incorporated into the Action Plan 2010-12 also in early 2010; and
- constitute the basis for some of the activities to be undertaken within Component 2 and 3, such as the position of prioritised investment projects within the national transport strategies of the TRACECA member countries.

For these reasons, the IDEA Project will employ a number of international and local short-term experts to work on the following task fields:

- Transport legislation, policies and strategies;
- Action Plans and TRACECA Long-Term Strategy; and
- Working groups.

A1.1.1 Political and Transport Dialogue: Implementation support to the Permanent Secretariat headquarters and the National Commissions is a continuous activity, recommendations are part of the process. Specific activities relate to the output from the Stakeholder Analysis; mainly the

- development of efficient operational structures for coordination of TRACECA stakeholders,

¹² At the time of writing, the possibilities for funding such an additional budget for the international short-term experts are still under discussion with the Programme Transport Manager.



- assessment of political coordination effectiveness amongst TRACECA stakeholders, and
- evaluation of improvement potential of coordination and interface mechanisms between stakeholders,

were described in more detail in the previous chapter.

A1.1.2: Realignment of transport legislation: Logistic chains as part of the trade facilitation efforts are a key success factor along the TRACECA routes. An initial review will be made to study the procedural, time and the monetary factor (both tariffs and other costs incurred along a route) facing a virtual container shipment between a pre-defined origin/destination pair (Europe-Asia and vice versa) along different TRACECA routes and their alternative routes. Input from on-going TRACECA TA-projects will be ensured and requested in addition to external institutions like IRU and ADB. Based on these initial findings, the IDEA-team will launch a mission to assess the Route Logistics Chain Performance Index (ROLPI) for the TRACECA Corridor and competing routes.

- The outcome of this assessment should reveal the shortcomings and bottlenecks of the different routes. A set of subsequent activities may be triggered to counteract the revealed shortcomings on the performance on the logistics chain along the TRACECA routes, e.g. to (1) action plan for harmonizing the regulatory and legal frameworks along TRACECA routes, 2) action plan for border crossing and transit shipment improvements, 3) action plan for harmonising the institutional set up, or 4) interoperability along TRACECA routes. A High-Level Meeting on TRACECA Routes Competitiveness and Legal Harmonization earmarked for mid-May 2010 (Milestone 7) could discuss this topic.
- Another resulting action will be based on round table discussions with the TRACECA PS and legal experts of the MoTs, The IDEA-team will elaborate recommendations on closer integration of the TRACECA member countries' regulatory frameworks with the EU, on implementation support and time frames, and on further technical interventions (projects) in terms of realignment of transport and trade facilitation legislation, ensuring closer integration between TEN-T and TRACECA. In order to improve the inconsistent transport legislation, the IDEA-team will follow up the results achieved by past TRACECA TA-projects.

A1.1.3 National transport policies: As the vast majority of actions (maritime, road and aviation safety; regulatory reform; joining conventions; bilateral or horizontal aviation agreements) refer to regulative or even legislative amendments, the IDEA-team has prepared assignments to request assistance from the Project's pool of international and local legal short-term experts. These short-term experts will fulfil following specific tasks:

- Benchmarking of development programmes on regulatory convergence and reorganisation,
- Review of future plans and pipeline activities in TRACECA member countries,
- Identification of risks to realisation of convergence and harmonisation,
- Recommendations of support measures for member countries to get back on track,
- Recommendations on implementation support to policy improvement.

The development of a cohesive and integrated transport infrastructure network plan for the TRACECA region is a medium-term goal that is expected to take at least until 2012 to complete. As is recognized in the IGC Long-Term Strategy, in order to specify the network it is first necessary to elaborate a planning methodology including traffic forecasts. Only once these steps have been completed will it be possible to elaborate a regional transport network plan for the whole TRACECA region.



A1.1.4 Action Plan 2008-09: The regular meeting of the National Secretaries of the TRACECA IGC Permanent Secretariat on 25 September 2009 in Brussels / Belgium recommended that, on the basis of two progress reports for 2008 and 2009 on realization of the Action Plan for 2008-09, the PS in close coordination with the EC should follow up the draft new Action Plan and submit it for coordination by the parties.

- Key Expert 1 will update the action programme in individual countries for the year 2009, and identify the issues and actions to be followed up in the next action plan. To this aim, the template existing so far for the Action Plan 2010-12 will be used; however, if the potential for improvement is obvious and requested by beneficiaries, this template may be updated. This work will be implemented in close coordination on daily basis with the PS; TRACECA meetings will be used as platforms for decision-making on the recommendations delivered within this activity.

As a consequence, Key Expert 1 will, during the remainder of the year 2009, assist the PS in evaluation of the Action Plan Report Forms and the major outline of Progress Report 2009. As from early 2010, with support from short-term experts he will

- define an action programme in individual countries and regional actions,
- analyse the Action Plan 2008-09 and identify most critical issues to be intensified,
- identify the reasons why certain measures were not fulfilled, and
- recommend remedial actions on specific areas not fully covered.

Action Plan 2010–12: The aim of these activities is a set of recommendations for improvement potential for consideration in the Action Plan 2010–12.

- The key expert will elaborate an appropriate action plan to assist PS in taking corrective action to bring the Action Plan 2010-12 back on track with the IGC Long-Term Strategy. After profound discussions with the PS and the EC, this action plan will serve as basis for the next Intergovernmental Conference envisaged to be held in June 2010 in Chisinau / Moldova.

Subsequently, Key Expert 1 with support from short-term experts will

- update the general review of existing transportation conditions,
- assess the effectiveness of resource mobilisation,
- identify the issues and actions to be followed up in the Action Plan 2010-12,
- recommend the potential for improvement to be considered in implementation of the Action Plan 2010–12,
- develop, discuss and include further actions to fulfil targets of TRACECA Long-Term Strategy", and
- develop the measures and indicators to monitor progress,

with the aim to complete the scope of actions in the Action Plan 2010-12.

A1.1.7 TRACECA transport database and data collection: In addition, Key Expert 2 has planned a set of activities, in particular to:

- improve the interface and quality of the TRACECA transport database and data collection using synergies with on-going TRACECA TA-projects,
- launch a TRACECA experts group for sustainable data base with a mechanism controlled and owned by the beneficiary countries, facilitated by the IDEA Project.

A1.1.8 TRACECA traffic forecasting: Key Expert 2 also plans to upgrade the traffic forecasting during the next period.

A1.2# Thematic Working Groups (WG) – Baku Initiative/TRACECA



Proceedings from previous working groups (A1.2.1) and thematic working groups (A1.2.2) will be undertaken beyond the next working period.

Follow-up on agreed action points from previous working groups and programme to schedule and deliver thematic working groups: As decided during the Brussels Coordination Meeting in late September 2009:

- The IDEA Project will assist in elaborating the structure of thematic working groups.
- As a result of the Working Group meeting on Competitive Railway Tariffs planned for late February 2010 (see next topic), the IDEA-team will recommend possible modifications to their structure, if necessary.
- The IDEA Project will ensure the proper follow up on agreed action points to determine progress made and effective follow-through by applying monitoring mechanism to be developed.

As from early next year, the IDEA Project will assist in setting a programme to schedule and deliver thematic working groups. Such programme naturally depends on the IGC Long-Term Strategy since the WGs strive to accomplish tasks set out in the strategy.

- The IDEA-team will assist the Permanent Secretariat in elaborating individual lists of contents for thematic working groups to fit the Action Plan 2010-12 and the IGC Long-Term Strategy. Programme and contents will be based on lessons learned from approach, methodology and practical organisation of past working groups. The Project will therefore compare the results of each working group with the objectives of Action Plan 2010-12 and adjust the contents for the next working group tasks.
- The IDEA Project will coordinate with the EC to harmonise between the European Commission and the Permanent Secretariat the expectations on topics, structures and timing of future WGs, and will subsequently assist the PS in elaborating individual lists of contents for thematic WGs to fit the Action Plan 2010-12 and the TRACECA Long-Term Strategy.

Working Group meeting on Competitive Railway Tariffs: The Draft Action Plan 2010-12 requests to regularly coordinate single tariffs¹³ and to apply coordination and concerted approach of the TRACECA countries towards tariff regulation issues, with a view to

- increase the competitiveness of the TRACECA Corridor being the multi-modal system of land and sea-based routes,
- contribute to the TRACECA Corridor attractiveness, and
- promote further liberalization of foreign trade and creation of favourable conditions for international transport and transit traffic as a factor of successful development of trade relations in the TRACECA region it is necessary.

During the regular meeting with the National Secretaries on 25 September 2009 in Brussels / Belgium, the TRACECA IGC Permanent Secretariat recommended a working group meeting on elaboration of single competitive tariff rates within the TRACECA Corridor in the field of railway transport and directed itself to the EC with a request to provide technical and financial assistance in organizing this WG in late February 2010 in Sofia / Bulgaria.

This working group meeting represents a first milestone during the next work period. Transport tariffs constitute an important tool for directing transport policies. This WG has as its objective the proposition of unified railway tariffs throughout the entire TRACECA region to pose sufficient competition against the two neighbouring transport corridors:

¹³ Recommendation of the PS IGC TRACECA adopted during the Seventh Annual Meeting of the IGC TRACECA (16 June, 2009, Issyk-Kul / Kyrgyz Republic).



1. northern corridor from Kazakhstan through the Russian Federation, Ukraine or Belarus to the Central or South-Eastern European countries, and
2. southern corridor from Uzbekistan through Turkmenistan, Iran and Turkey into South-East Europe.

First recommendations on further implementation support to improve national transport policies can already serve as a basis for the working group discussions.

- During the remainder of the year 2009, the IDEA Project will elaborate lessons learned from approach, methodology and practical organisation of past WGs, before recommending possible modifications of future WG structures.
- Regional meetings are scheduled for early 2010 to push ahead the prioritisation of transport-investment projects as one core activity of the IDEA Project. Finally, conferences on a supra-regional level such as the first Regional Ministerial Conference and a TRACECA Investors (Finance) Forum will set the regulative and financial framework for the Project's core activities of PS reformation project and implementation respectively.

A1.3# Developing best practices for transport infrastructure investment

A1.3.1 Current competencies: Determination of current level of competencies and knowledge amongst PS and NS experts and ensuing training and training coordination links into the entire complex of governance and organisation with reference to the new coordination role of the Permanent Secretariat and the extension of the south-eastern TEN-T axis (under A1.5#). Basis for the inventory taking on capacity-building requirements will be an identification of

1. needs for additional staff with specific administrative or academic qualification,
 2. areas for ongoing training and technical support, and
 3. areas for necessary training of existing and (already planned) future staff.
- The IDEA-team will coordinate training with TRACECA-related TA-projects which include training components.
 - After identification of other training opportunities in the required fields of expertise, the Project will recommend a coordination framework to utilise such training for the PS staff.

A1.3.2 Training: Training components are envisaged within the scope of PPP / Investments / Traffic forecast and modelling / GIS based TRACECA Data Atlas.

- Training activities start in the next reporting period and will be realized over the full life cycle of the IDEA project. Main topics are project preparation, project finance, risk assessment, forms and foundations of PPP.

A1.3.3 Development and coordination (training inventory) of required training: The establishment of appropriate frameworks and knowledge is important for a sustainable infrastructure development with a long-term focus. Furthermore, the implementation of external financing sources such as IFIs or commercial banks requires a set of specific preconditions. During the stakeholder missions, discussions showed an additional need to implement further efforts in terms of capacity building. There are several ways how the gaps can be closed.

One option of capacity building could be the training of trainers or workshops with permanent secretaries, key stakeholders and decision makers. Training of trainers has the significant advantage to duplicate knowledge to a wider audience. It is a transfer of knowledge and skills on transport infrastructure investment for a continuous long-term capacity-building process. Workshops with selected key decision makers and trainers can play a major role to achieve a common understanding about infrastructure



procurement, coordination, management and finance between the countries. On this basis needs and challenges as well as necessary steps can be analysed.

The aim is the formulation, strategy and implementation for the framework of capacity building in beneficiary countries.

- The document to be delivered during the next period will constitute the foundation for the concept of training and capacity building strategy in the beneficiary countries including a detailed table of contents for a 2-day training session.

The focus is on the importance of taking into account sources of international finance and information based on international best practice related to infrastructure procurement, project development in relation to the beneficiaries its regional peculiarities.

A1.3.4a Leveraging from IFI methodologies - Project Preparation: It is understood that in coordination with other TA projects under the TRACECA umbrella, capacity building and improvement of special knowledge needed for further evaluation and assessment of feasible projects demand respective training.

- Therefore, based on freely accessible information of IFIs, banks and other financial institutions, a training concept will be produced.

A1.3.4b Leveraging from IFI methodologies - Project Financing: Activities related to the Investment Manual (A1.3.5) and Public Private Partnerships (A1.3.6) will be undertaken beyond the next working period.

Investment Manual: One major objective of the IDEA Project is to prepare and structure the priority projects for participation of international financing. To ensure appropriate capacities among the beneficiaries an investment manual will be produced.

- The investment manual as important basis for these activities will be directly incorporated into the training cycle.

This investment manual will be a practical handbook for the beneficiary countries in financing infrastructure projects under the different privatization processes/ contract models. The focus is on the importance of taking into account sources of international finance and information based on international best practice related to infrastructure procurement and in relation to the beneficiaries its regional peculiarities. The manual will be produced in seven major steps:

1. Frameworks for the provision and financing of transport infrastructure;
2. Transport policy objectives and frameworks for decision-making;
3. Risk sharing schemes in the different models;
4. Financing;
5. Infrastructure investment and budget concerns;
6. Cost efficiency and life cycle budgeting; and
7. Methods and tools for project development.

A1.4# IFI Coordination

Only preparatory activities within this task complex are envisaged to be taken up during the next work period.

- Based on findings of the stakeholder analysis, the IDEA-team will define common targets in identifying bankable projects between PS and those IFIs which are active in the TRACECA region.
- To achieve the best effective and sustainable coordination with IFIs for the identification of bankable TRACECA originated projects, the IDEA-team will



organise the first EC and TRACECA IFI coordination event towards the end of the next working period.

A1.5# Governance and Organisation with reference to the new coordination role of the Permanent Secretariat and the South Eastern Corridor for the expansion of the Trans-European Transport Axes

This task complex constitutes activities promoting the Reformation of the Permanent Secretariat (both headquarters and national representations).

- With an analysis of current functions of the TRACECA Permanent Secretariat, activities, which were initiated right after finalisation of the stakeholder missions, will be prepared as recommendations to be discussed in the first Regional Ministerial Conference to be held in early October 2010 in Brussels.

The IDEA-team will define infrastructure, management and organisation, financial and non-financial resource needs to assist in designing a new PS structure. The aims are recommendations on

- strengthening PS capabilities and tasks,
- improving TRACECA institutional structure, and
- targeted assistance through institution-building measures to adapt changes.

The subsequent task consists in the IDEA-team's assistance to implement the recommended improvements in order to strengthening the existing PS manpower endowment.

- To this aim, the IDEA-team will analyse current staffing of TRACECA PS and National Secretaries, identify PS and National Secretaries' capacities against existing and new tasks related to TEN-T expansion, propose new positions and job descriptions where required, and draft a budget for each position and overall budget for the PS structure.
- Training activities will be initiated during the next period but are bound to continue beyond.

A1.6# Analysis of current functioning and staffing of TRACECA Permanent Secretariat and recommendations on changes required to strengthen existing PS establishment

Determination of current level of competencies and knowledge amongst PS and NS experts and ensuing training (under activity A1.3.1 Current competencies) and the entire complex under A1.5# constitute activities promoting the Reformation of the Permanent Secretariat (both headquarters and national representations).

- Activities will be prepared as recommendations to be discussed in the first Regional Ministerial Conference to be held in early October 2010 in Brussels.

Structural Reforms of the PS were discussed by the NS of all participating TRACECA member countries at a meeting in Baku in early December 2009. In early October 2010¹⁴, a Regional Ministerial Conference is envisaged in Brussels to decide and agree on the reformation of the PS, and to ratify the resolutions to be set at an Intergovernmental Committee meeting scheduled for June 2010. TRACECA institutions will be invited to deliver concrete proposals concerning all legal and organisational components of restructuring of the PS.

- Based on these recommendations, the IDEA-team will give a first training session for the TRACECA PS staff. This transformation and subsequently training will

¹⁴ The PS Secretary General had proposed this dedication and timing to the TRACECA team



strengthen the role of the PS in playing a catalytic role between national and international actors.

A1.7# GIS transport database and data collection

Based on the action plan developed so far in the present reporting period, with a view to ensure future sustainability, usability and relevance of the TRACECA GIS database, the IDEA Project will prepare specific recommendations for and will supervise the

- establishment of an expert group based on the appointment of delegates to this group;
- preparation of rules of conduct, scope of work and responsibilities of this expert group including the definition of working groups (subgroups) when needed;
- Future database update guidelines (technically and administrative);
- technical implementation of both the web GIS application and the database updates as such;
- actual quality of the GIS database and how it can be improved;
- tight integration of the GIS database with the transport model;
- identification of data sources for database updates; and
- development of a long-term TRACECA GIS database strategy through the GIS Expert Group.

The general approach of the IDEA Project is that the GIS Expert Group, once established, is fully responsible for the future TRACECA GIS, i.e. this group shall discuss and agree upon the contents of the future GIS database and of the future web application, including possible improvements and extensions, while IDEA provides technical advice and supervises the implementation of all measures.

Component 2: Project Identification and Project Definition

A2.1#-2.5# Infrastructure projects selection

Definition of the methodology for selecting and prioritising projects of genuine regional significance and with realistic chance to be presented to investors is exactly the task that the IDEA experts have already started to work on and will continue during the next period. Such an activity will have to be developed with a tight schedule, due to the plan to hold the TRACECA Investment (Financing) Forum in October 2010.

Due to the relevance of such a task, the IDEA Project needs to coordinate its approach with those followed by the other TRACECA TA-projects, such as the Western Logistics, Eastern Logistics, Motorway of the Seas, etc. The above listed activities are compiled within the project-prioritization process life cycle as a rolling process.

- After the conclusion of the work of the current prioritization cycle, the IDEA-team will re-start a new cycle with new projects.

A2.6# Sounding out short listed projects with IFIs and other stakeholders

This task will be handled initially during preparation and comprehensive as part of the realisation strategy after the TRACECA Investors (Finance) Forum in October 2010.

A2.7# PPP and project identification

Project identification is understood as permanent process of the projects life cycle and has started with the prioritization process during the reporting period. It is only partly based on assessment of former projects, but does not disregard findings and especially information provided by the beneficiary countries.



Component 3: Mobilisation of Funding

A3.1# IFI project sounding and screening

One of the tasks on the way to project preparation, development and financing is to develop an approach to “pull through” TRACECA originated investment plans and transport projects for review and appraisal by IFIs.

It is the IDEA-experts’ clear understanding that this approach must be based on prioritized projects that will go through a selection process involving all beneficiaries of TRACECA.

- This prioritization process is already initiated and will produce a list of projects that are realistically evaluated and accepted in a discussion process with strong political character.

A3.2# Feasibility study assessment

This task will be partly addressed by producing pre-feasibility studies in preparation of the TRACECA Investors (Finance) Forum in October 2010. During the prioritisation process, two activities reflect this task: (1) cooperation with other TA-projects in connection with the elaboration on a priority list of projects, and (2) direct analysis of existing studies or papers within the prioritization process (being an evaluation point).

One objective of the respective key expert will be to assure that information demand of financing sides will be satisfied to allow further elaborations and assessment of feasibility of projects within the banking, IFI and private investors’ evaluation, and risk management systems.

- The “pull-through” approach will be accompanied by an identification of relative weaknesses and strengths in initial project assessment phase undertaken by PS or earlier projects so far.
- Final task during the preparation of the forthcoming finance conference scheduled for October 2010 is the submission of a minimum of six short-listed TRACECA transport projects for scrutiny and assessment by a minimum of two separate IFIs.

Taking into account the role of Turkmenistan as observer of the TRACECA Programme it is of importance to involve the country more and more in evaluation and decision processes.

- It is therefore an objective to intensify the relation IDEA - Turkmenistan and carry out a stakeholder analysis mission at the beginning of 2010.
- Depending on the preparedness of Turkmenistan for further cooperation, additional actions may be proposed to the beneficiaries.

Component 4: Communication and Dissemination

A4.1# Communication and dissemination strategy

During the second half of the next work period, Key Expert 1 will commence to

- assess potential scope and destination of premium reports to be produced by PS.

The scope of such reports will depend on the numbers, quality and functions of staff to be employed within the PS (see Activity 1.5#).

A4.3# Production of TRACECA project materials and literature

In the beginning of the inception phase, Key Expert 1 had taken over TRACECA project materials from the predecessor project. The key expert already had preliminary discussions with other TRACECA TA-projects on the design of an improved TRACECA



map with the aim to effectively promote benefits of TRACECA and associated initiatives to IFIs and other stakeholders.

- Design and dissemination of these TRACECA promotion materials will be improved towards better transparency of more information details.

During the course of the stakeholder analysis and road-show missions, the IDEA-team collected information of ongoing and planned projects in the TRACECA area. This information is presently being deepened during the project prioritisation process.

- Pending the finalisation of collection and processing of traffic figures and information on infrastructure conditions, Key Expert 1 will compile this information on the TRACECA web-site and in various hardware promotion materials.

A4.4# Events and TRACECA web-site

The IDEA-team has assisted the PS in putting together all relevant information on TRACECA events in a calendar. This calendar is published on the TRACECA web-site.

TRACECA web-site: The current approach as outlined below envisages an update of the existing TRACECA web-site enriching it with additional features.

1. Include Central, searchable library for TRACECA publication
 - Project reports and Terms of Reference
 - Events and Proceedings
 - Presentations
 - Protocols and Agreements
2. Include upload area by stakeholders (e.g. IFIs) for relevant documents of transport modes, projects or country reports
3. Provide space and tools for creating country web pages by National Secretaries
 - Local language TRACECA content
 - Country's stakeholders contacts
 - Country's transport sector reports
 - Other country specific data
4. Provide space and tools for creating projects web pages to prevent loss of knowledge after project implementation. This will include project contacts, Technical documentation, Presentations, Events' Calendar etc....
5. Hold Event Calendar for all TRACECA events
6. Include newsletters to registered Stakeholders
7. Link to online GIS database' upload area for country infrastructure data and transport information (password protected) managed by the country's National Secretary
8. Include attractive presentation of investment projects for investors & private sector
9. Include personalized content page for registered stakeholders (e.g. transport administrations of member states, freight forwarders associations, IFIs officers) to follow TRACECA activities and upload documents.
10. Have new design to match the new functionalities

The rank of the acceptance of the feature will be guidance during the technical implementation of the web-site.

- Following up on the results of the questionnaire (attached in [Annex 7](#)), a technical specification will be prepared for the tendering of the web-site and agreed upon with the PS and the European Commission. A tender process will be launched. The expected time of realization is 3-4 months upon approval.



4.2 Technical Working Papers proposed by the IDEA Project

In the following, an indicative list of Technical Working Papers is given, which will be issued during the next working period and which will describe in detail the different tasks performed in the IDA Project. The proposed Technical Working Papers will deal with the following themes:

Stakeholder analysis

The stakeholder analysis will deal with following topics: Identification of issues common to major stakeholder groups throughout the TRACECA area or in TRACECA main regions; significant problems putting constraints on individual major stakeholders; identification of the stakeholders' role assumed for project / policy success, and whether these assumptions are realistic; risk analysis as to what positive responses are expected and what would be the impact of the absence of such positive responses; potential solutions as to what can be done to mitigate negative, and encourage positive, stakeholders' support.

GIS Database

This Technical Working Paper will present the overall results of the quality check of the GIS database established by the predecessor project. The quality check will cover questions of accuracy, data coverage, resolution, data gaps, and data units and data harmonisation. Based on this assessment it will develop recommendations for the improvement for the future data update guidelines, and it will assess possibilities for data exchange among all TRACECA projects. The paper will also propose new technical means for data updates over internet.

GIS database integration into transport model

This Technical Working Paper will assess possibilities and solutions for the tight integration of the TRACECA GIS database with the transport model. The objective would be to merge the present two databases into one overall database, that way reducing the efforts for database maintenance and updates.

Traffic model

A base-year model of the transport model will be developed within the four months between end of November 2009 and end of March 2010. Forecast models to represent development until 2020 and 2030 will be developed within another two months until end of May 2010. Existing data and models from previous projects and from other available sources will be used as a basis for model development. Data about the TRACECA countries will be strictly coordinated with the National Secretaries of the respective TRACECA countries. Additional data about the current situation and about future development will be collected or approved by the National Secretaries. The base-year model and the forecast models will be described in technical working papers including all data used, all approaches and methodologies and all assumptions applied.

GIS experts group

This working paper will describe the process and results of the establishment of the GIS experts group. The group members will be presented, the scope of work and responsibilities will be detailed, and the rules of conduct will be outlined.

Route Logistic Performance Index

The objective of this working paper is not to repeat what has been done nor to create a desk research on TRACECA routes problems and bottlenecks but to pragmatically assess TRACECA corridors and the alternative routes based on established route logistics index approach with the aim to:



- Benchmark the performance of the TRACECA corridors and alternatives routes.
- Reveal and assess bottlenecks (infrastructure, cost, time, procedures) faced along the TRACECA logistic chain
- Identify measures (based on best practices) on how to improve the competitiveness of TRACECA corridors
- Recommend a fast track improvement bundle of measures with highest improvement potential based on value analysis.
- Recommend an action for the implementation of complementary measures

PPP assessment

To prepare the priority projects for international financing, a country analysis has to be performed. Together with local experts, country specific information for infrastructure procurement will be collected and analyzed.

The process is structured in two major phases. The first phase comprises an analysis of the following sections:

- Organization and management of infrastructure provision – outsourcing, devolution
- Political support and public acceptance;
- Responsibilities for the tasks associated with the provision of infrastructure; and
- Applied different financing techniques, instruments and tools.

In the second phase, the IDEA-team will have the opportunity to validate the recommendations of the Investment Manual against the country-specific circumstances. In the ideal case, tailor made solutions can be structured. To ensure the practicability of the Investment Manual, local experts will be included.

The focus is to collect information on regional peculiarities for the frameworks on provision and financing of transport infrastructure and transport policy objectives. The analysis is a necessary part of the capacity-building process and the development of frameworks for decision-making.

Methodology for project prioritisation

To analyse the existing projects and divide wishful thinking from realistic projects, IDEA proposed a prioritization process. This process gives all countries the chance and opportunity to convey their project information to the other countries, which then determine the priority of individual projects. The entire evaluation process is on a reciprocity basis based on a participatory approach and assures a fair and practical evaluation.

It is the understanding of the IDEA Project that a project evaluation must be comparable for all TRACECA member countries despite their regional or local specifications. Therefore it was necessary to put all countries including the Permanent Secretariat into the picture of how to approach the evaluation process and to explain the procedural side of the evaluation.

With this aim, respective initial documents were already disseminated to the beneficiaries including following parts for discussion:

- Description of Methodology and elaboration on evaluation criteria;
- Description of presentation template for presenters of projects for evaluation; and
- Powerpoint presentation template for presenters.

4.3 Resource schedule and budget

Similar to the budgeted resources that have been used during the first project period,



those scheduled for the next six-month period (January-June 2010) will be dedicated to the coverage of the (i) costs related to the project experts' fees, and (ii) incidental expenditures.

On the one hand, the costs related to the experts (key, international and local short-term) are expected to considerably increase because of the gradual increase in activities as foreseen for the various project components.

As shown in Annex 6 and the graphic in Chapter 3.1 of this Progress Report, the first semester 2010 will be mainly dedicated to:

- fully starting Component 1 "Supporting the Implementation of the TRACECA Long-Term Strategy";
- continuing Component 2 "Project Identification and Project Definition"; and
- starting Component 3 "Mobilisation of Funding".

Annex 8: Annual Resource Schedule and Budget for next Period, lines out the number of person-days of key, international and local short-term experts planned to be employed during the next six months. Many tasks, distributed amongst the key experts, will be shouldered by short-term experts according to their specific competences that will be required for the task implementation.

The incidental expenditures, on the other hand, refer to the meetings to be organised by the IDEA project, as illustrated in below table, during the first semester of 2010.

Indicative plan of events and meetings (January-June 2010)

Month	Name of event	Place
January	Regional evaluation meeting Central Asia	Tashkent, Uzbekistan
February	Regional evaluation meeting South Caucasus & Turkey	Istanbul, Turkey
February	Working Group meeting on Competitive Railway Tariffs	Sofia, Bulgaria
February	Regional evaluation meeting Southeastern Europe	Sofia, Bulgaria
April	Wrap up of evaluation meetings	Brussels, Belgium
May	High Level Meeting on TRACECA routes competitiveness	Antalya, Turkey
May	Working Group meeting on Infrastructure	Antalya, Turkey

The budget headings for the meetings will specifically cover the following costs:

- travel costs for the participants (TRACECA delegates, staff of the TRACECA Permanent Secretariat, IDEA experts); and
- per diems of the TRACECA delegates that will attend the meeting;

For conferences, workshops and working group meetings, prior to any contractual arrangement as well as to any organisational and logistics decision, an estimated budget will be submitted for approval to the European Commission. Once approved, the budgeted resources will be allocated to the distinct items of expenditure.

Incidental expenses will also cover additional missions of the key experts and international short-term experts for technical reasons, prior approval of the EC.



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5. Annexes to the Progress Report



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Annex 1: Updated Logical Framework Matrix

Project Title : Transport dialogue and interoperability between the EU and its neighbouring countries and Central Asian countries	Project number : EuropeAid TRACECA 155-683	Countries : all TRACECA member countries
Planning period : December 2009 - June 2010	Prepared in : December 2009	Consultant : Consortium TRT, DoC, Alfen, PTV
Results to be achieved and target dates indicated	Output and verifiable Indicators	Constraints and Assumptions
Overall development goal: To improve the transport links of the EU Trans European Networks with the neighbouring countries (Caucasus, including Armenia, Azerbaijan, Ukraine and Georgia) and the Central Asian countries, thus facilitating trade and enabling socio-economic and environment development in the region.		Partner governments and authorities should be ready to cooperate where necessary in priority areas, take measures required in terms of endorsement of adopted legal, technical & institutional reforms and adequate resource allocation.
Overall project purpose: To enhance regional transport dialogue and transport intermodality between the EU and the countries belonging to the ENPI East Region and Central Asia region, in the context of supporting the further development of the transport system in the region and its interconnection to the major Trans-European transport axes.	Effective coordination mechanism between the Consultant, the TRACECA Permanent Secretariat and the IFIs are in place for adequate evaluation of the TRACECA Long-Term strategy and selection of bankable projects	The continued strong political commitment and technical support to be provided by the TRACECA Permanent Secretariat and the beneficiary countries is expected. Openness and willingness by IFIs to be fully cooperative in the desired coordination activities and for joint project preparation.
Results to be achieved and target dates indicated	Output and verifiable Indicators	Constraints and Assumptions
Result 1 – Supporting the implementation of the TRACECA Long Term Strategy and related Action Plans		
Coordinated strategy in place and working between countries to strengthen regional transport cooperation, together with demonstrated legal, institutional and regulatory system transport re-alignment in the region	SWOT analysis of the beneficiary countries	Possible changes in key stakeholder organisations of a member country
Specific objectives, targets and activities requiring re-balancing within the TRACECA Long Term Strategy to 2015 are identified; monitoring tool is rolled out to assess progress on implementation of the long term strategy	Effective coordination mechanism between IDEA, TRACECA PS and IFIs in place for adequate evaluation of the TRACECA Long-Term Strategy and selection of bankable projects	Continued strong political commitment and technical support to be provided by TRACECA Permanent Secretariat and beneficiary countries
At least two Regional transport and infrastructure Conferences at Ministerial level organised for promotion of the European Transport policy and to promote TRACECA transport and policy dialogue		Conference can be scheduled by Ministers
At least two IFI regional coordination meetings are convened	Project documentation	Openness and willingness by IFIs to be fully cooperative in the desired coordination activities and for joint project preparation



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Results to be achieved and target dates indicated	Output and verifiable Indicators	Constraints and Assumptions
Thematic working group structure established and working, producing focused and structured output in support of regional investment planning and definition of infrastructure and transport projects; at least eight working groups to be convened during the course of the project	Technical papers	Working groups can be programmed by EU/TRACECA
At least one major and high profile regional conference focusing on PPP for investment in infrastructure and investment drawing upon Western European and emerging market experience is convened	Showcase International Best Practice for PPP	Sufficient projects can be identified and agreed by EU/TRACECA, especially regional projects
Established "working community" in place comprising a TRACECA network and IFIs with dedicated coordinators, national and international banks and other financial institutions working in close consultation and co-operation on agreed investment and transport priorities for TRACECA member countries and extension of Trans European Networks to neighbouring countries	Project progress reports	Partner governments and authorities should be ready to cooperate where necessary in priority areas, take measures required to endorse adopted legal, technical & institutional reforms and adequate resource allocation
Agreed changes to governance and organisation structure of the TRACECA PS are implemented together with proposed amended funding mechanisms	Concept study regarding the setup of an task force	Continued strong political commitment and technical support from TRACECA PS and beneficiary countries is expected
High quality and successful training programme, including "Train the Trainers", programme consistent with the demands and needs of TRACECA Permanent Secretariat and TRACECA member countries delivered	Curriculum and performance of two five-days training sessions	Good collaboration, input and initiatives from TRACECA/NS with Consultants
Structured training programme customised and delivered to meet specific needs of the PS of TRACECA to raise levels of expertise in financing & best practices for promoting IFI and private sector investment in infrastructure & transport; gain maximum leverage from training offered by other TA projects	Curriculum and performance of two five-days training sessions	Input and pro-active collaboration by TRACECA/NS with Consultants
Demonstrated progress aimed at ensuring the sustainability of GIS transport database for collection, collation and processing of traffic data for forecasting, analysis, investment planning and project identification	GIS database established and accessible on TRACECA web page	Coordination meeting organised between TRACECA PS, National Secretaries, EC, EC Delegations, National transport coordination units, project stakeholders and IFIs
Result 2 – Project identification and Project definition		
A short list of 6 to 8 infrastructure and transport projects is generated; pre-appraisals on these short-listed projects are completed and discussed with IFIs; for these projects, pre-feasibility studies are conducted jointly and with the sponsorship and backing of IFIs	List of short-listed projects; list of identified projects applicable for PPP; preparation of up to five road show meetings (organization and content)	Desire by individual country to secure highest returns for itself, rather than taking a regional view; regular WG meetings foreseen will help to overcome these difficulties and misconceptions No working traffic flow model or database exists as a tool useful for IDEA Project purposes
At least two bankable TRACECA originated projects have IFI commitments for investment or co-financing arrangements; these IFIs have accepted to undertake full feasibility studies	Analysis of the internal criteria of IFIs for "bankable" projects; minimum of two projects considered as bankable by IFIs; recommendations on next steps to project development	No working traffic flow model or data-base exists as a tool useful for IDEA Project purposes



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Results to be achieved and target dates indicated	Output and verifiable Indicators	Constraints and Assumptions
TRACECA project pipeline database in place and working to permit screening, selection and evaluation of potential TRACECA projects	Questionnaire to elaborate evaluation criteria; long list of lenders, sponsors and operators	Openness and willingness by IFIs to be fully cooperative in the desired coordination activities and for joint project preparation
Minimum of two identified TRACECA regional infrastructure projects considered by stakeholders for possible PPP structuring; pre-feasibility studies jointly and with sponsorship and backing of IFIs	Concept development for possible PPP financing ; set of criteria for evaluation of country readiness for PPP; definition of criteria of choice of PPP; joint case studies following IFI methodologies	Assumes there are suitable PPP projects for development; assumes IFI will agree to meet
A documented methodology in place for use by the PS covering the project cycle for project identification and project definition	Seminar, training and conference material	Access to cost tariffs and tariff setting procedures for road transport may not be readily forthcoming due to concerns over commercial secrets of transport operators.
Result 3 – Mobilisation of funding by IFIs and other financial institutions to TRACECA projects		
“Financing and Investment Manual” for operational use and awareness training by TRACECA PS and for member countries is prepared	Investment Manual for the TRACECA PS and TRACECA governments	
Completion of a “readiness assessment” of TRACECA member countries for PPP arrangements in terms of an appropriate legal and regulatory framework and a road map for required legal and regulatory changes	Deficits and proposed next steps within the TRACECA region	Close collaboration assumed
Business Advisory Council is established ; effective interfaces and working relationships with the IGC TRACECA and PS are built	Organisation of up to three coordination meetings with the European Commission and IFIs for assessing developments and role of the BAC	There is still a preference in some quarters for over-regulation, monopolistic and state run operations; weak legal implementation and control mechanisms in place
TRACECA Investors (Finance) Forum is convened; effective interfaces and working relationships are built with the IGC TRACECA and PS	Organisation of coordination meetings with the European Commission and IFIs for assessing developments and role of the TRACECA Investors (Finance) Forum (Investors Forum)	Openness and willingness by IFIs to be fully cooperative in the desired coordination activities and for joint project preparation
Result 4 – Communication and Dissemination		
Communication strategy and dissemination providing a framework for ensuring that information is shared with appropriate audiences on timely basis and by most effective means is elaborated and subsequently updated	One coordination meeting per year organised between IDEA, TRACECA PS, EC and TRACECA countries to elaborate an effective communication and dissemination strategy	Continued strong political commitment and technical support to be provided by TRACECA PS and beneficiary countries is expected
Organising coordination meetings between IFIs, TRACECA Permanent Secretariat, National Secretaries, EC TRACECA Project Manager, EC Delegations, National transport coordination units and project stakeholders	Two coordination meeting will be organised per year	Meetings will be aimed at elaboration and subsequent updates on communication and dissemination strategy of the project
Updating, producing and disseminating TRACECA marketing material, newsletters and brochures used to promote the TRACECA programme; main dissemination media is assumed to be the web-page	Project web-site will be set up and run for the entire duration of the project	



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Annex 2: List and Synopsis of TRACECA projects

List of TRACECA projects

Title	Beneficiary Countries	Target Groups / Stakeholders	Mode concerne	Type of commodity	Type of analysis	Remarks
Transport dialogue and interoperability between the EU and its neighbouring countries and Central Asian countries	All TRACECA countries: Azerbaijan, Bulgaria, Georgia, Kazakhstan, Kyrgyzstan, Romania, Tajikistan, Uzbekistan, Turkey, Turkmenistan, Ukraine	Ministries of Transport, various transport players TRACECA project teams	All modes	All commodities	Coordination, communication	The purpose is to enhance regional transport dialogue and transport inter-modality between the EU and the countries belonging to the ENPI East Region and Central Asia region, in the context of supporting the further development of the transport system in the region and its interconnection to the major trans-European transport axes. Particular emphasis on improving coordination with IFIs and participation of the private sector in transport projects
Motorways of the Sea	Direct beneficiary: Azerbaijan, Georgia, Kazakhstan, Ukraine Associated: Bulgaria, Romania, Turkey	Ministries of Transport, Port, maritime administrations & managements, business community, transport operators (port, shipping & hinterland connection)	Maritime and sea-land connections and interfaces (rail, road, and possibly inland waterways)	Containerisable commodities (exclude among other bulk)	Market	The overall objective of the project is to raise awareness on the MoS concept in order to improve logistics capabilities, interoperability and multimodal transport and to develop efficient "Motorways of the Sea" connecting TRACECA Countries with Europe
Logistic Centres in Western NIS and the Caucasus	Armenia, Azerbaijan, Georgia, Moldova, Ukraine; indirectly: Bulgaria, Turkey, Romania	Ministries of Transport, investors of logistic projects, business community, transport operators, professional associations, custom authorities	All modes except pipeline: road, rail, maritime, inland waterway, aviation	Containerisable commodities (exclude among other bulk)	Market	Possible coordination to - share information about bottleneck, hindrance in particular on port hinterland and competitive routes, - improve surround door to door commodity flow
TRACECA civil aviation safety and security	Armenia, Azerbaijan, Georgia, Kazakhstan, Kyrgyzstan, Ukraine, Uzbekistan, Tajikistan					The project provides technical and capacity-building assistance to civil aviation structures of beneficiary countries to: (1) increase awareness, improve transport safety and security regulations and standards; (2) develop regulatory frameworks in line with European safety and security regulations; (3) support cooperation agreements with the related European agencies (EASA, Eurocontrol); (4) support independent safety control and certification authorities; (5) develop effective traffic management environments through adoption of regulations, procedures, manuals, checklists and on-the-job training



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Title	Beneficiary Countries	Target Groups / Stakeholders	Mode concerned	Type of commodities	Type of analysis	Remarks
Logistical centres in Central Asia	Kazakhstan, Kyrgyzstan, Tajikistan, Uzbekistan, Turkmenistan	Ministries of Transport, investors of logistic projects, business community, transport operators, professional associations, custom authorities	All modes except pipeline: road, rail, maritime, inland waterway, aviation	Containerisable commodities (exclude among other bulk)	Market	The specific objective is to develop the financial, technical, environmental and institutional conditions and studies for a network of logistical centres along the TRACECA corridor. The project will provide a set of feasibility or pre-feasibility studies for selected logistic centres to be developed on the TRACECA corridor, with a focus on public private partnerships and efficient customs services.
Strengthening of Transport Training Institutes in the NIS	Armenia, Azerbaijan, Georgia, Kazakhstan, Kyrgyzstan, Moldova, Tajikistan, Turkmenistan, Ukraine, Uzbekistan	Transport training entities and students, higher educational transport institutes				Overall objective is to contribute to the training of well qualified and competent staff regarding the development of sustainable transport infrastructure and modern transport services in the TRACECA countries is improved. Assessment of existing training measures and trainees' capabilities; development of modern curricula and teaching methods; institutional strengthening of existing training centres and training in the transport sector; train-the-trainers courses
Development of Security Management and Maritime Safety and Ship Pollution Prevention for the Black Sea and Caspian Sea	Azerbaijan, Georgia, Kazakhstan, Ukraine, Turkmenistan; indirectly: Bulgaria, Romania, Turkey					The project focuses on improving maritime safety and security on Black and Caspian Seas, to meet requirements of IMO Conventions on safety of navigation, security of transport, including passengers and crews, and requirements for environmental protection; to adapt technical and personnel prerequisites to meet the requirements of the Port State Control Memorandum in Black Sea and Caspian Sea.
Land Transport Safety and Security	Armenia, Azerbaijan, Georgia, Kazakhstan, Kyrgyzstan, Moldova, Tajikistan, Turkmenistan, Ukraine, Uzbekistan					The project will provide technical and capacity-building assistance to the beneficiary countries' land transport structures (railways and roads) in order to: (1) increase awareness of and improve transport safety and security regulations and standards; (2) develop regulatory frameworks in line with European safety and security regulations; (3) support cooperation agreements with the related European agencies; (4) support independent safety control and certification authorities; (5) develop effective traffic management environments through adoption of regulations, procedures, manuals, checklists and on-the-job training

Sources: AidCo, European Commission, Brussels/Belgium, August 2009

Motorways of the Sea for the Black Sea and the Caspian Sea, Azerbaijan, Georgia, Kazakhstan, Turkmenistan and Ukraine - Inception report - 31 March 2009 Egis Bceom International



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Synopsis of TRACECA projects

<i>Motorways of the Sea project</i>	<i>International Logistics Centres in Western NIS and the Caucasus project</i>	<i>International Logistics Centres in Central Asia project</i>	<i>Land Transport Safety and Security project</i>	<i>Strengthening Transport Training Institutes in the NIS project</i>
<p>Core activities concentrated on the achievement of two principal outputs: Completing the review of relevant information and studies; this work has started during the project inception phase (Task 1) Launching the awareness raising activities to support MoS concept with the project beneficiary countries (Task 2)</p>	<p>Phase B – Identification, Ranking and Promotion of Logistics Centres' Projects, has started and the last reporting period encompassed the time from 26 January 2009 till 26 July 2009, i.e. six months from the project start. The Progress Report 1 was primarily related to the delivery of the results of the Phase B. Hereby, its tasks contain the following work packages</p>	<p>Mobilization and Inception phases of this project were completed successfully and the work to develop the transport data base in each country is well under way. A considerable amount of detailed transport data was obtained for Kazakhstan and Uzbekistan; data collection in other countries produced some results and the work continues.</p>	<p>A kick-off meeting for this project was held in Brussels in March 2009, where it was agreed that the main focus of the project should be upon road transport safety, particularly in the form of legal approximation within the TRACECA region and harmonised with EU Directives and best practise.</p>	<p>The project involves Ministries of Transport where possible, as the final goal would be that they are going to use the methodologies and tools developed on transport planning, investment appraisal and multimodal transport and put them into practice.</p>
<p><i>Completing the field missions to beneficiary countries.</i> During the reporting period, field missions to project beneficiary countries took place to Kazakhstan (Astana, Aktau), Azerbaijan (Baku) and Georgia (Tbilisi, Poti and Batumi)</p>	<p><i>B1: Assistance in identifying and characterising priority projects of logistics centres:</i> Based on the macro locations identified in the phase A, the project provides assistance to the beneficiary countries in identification of the promising projects at those locations. The project follows up investigations towards ports, rail, roads, airports, freight forwarders, transport companies, real estate sector, shippers and consignees started in the Phase A</p>	<p>Meetings were held with stakeholders in each beneficiary country, working groups were established in two countries and others are planned for the near future.</p>	<p>The base of operations is in Tbilisi, Georgia, as the regional office for the Caucasus. Additionally, a first regional office was established in Chisinau, Moldova for the Western NIS, a second regional office was set up in Almaty to service the Central Asian Republics.</p>	<p>A regional project office was established in Almaty with a training coordinator. Furthermore, a regional office has been established and a regional coordinator is operating in Kiev. Also in Tbilisi, a regional coordinator carries out coordinating tasks for the project.</p>
<p><i>Presenting MoS concept to the representatives of project beneficiary countries.</i> The concept of MoS was presented and discussed during a workshop in Kiev, as well as in face to face meetings in the course of the above missions and contacts</p>	<p><i>B2: Ranking the priority projects using multi-criteria analysis:</i> The project ranked the identified initiatives using the multi-criteria analysis. This process required coordination with the EU, beneficiaries and stakeholders. These criteria include regional and country specific parameters and will be developed in accordance with best-practice in Europe and taking into account the TRACECA specific background.</p>	<p>The <i>Opening Conference and First Steering Committee</i> meeting were held in April. Working groups were organized in Kazakhstan, Tajikistan, Uzbekistan, Turkmenistan and the Kyrgyz Republic.</p>	<p>Organisation of a <i>kick-off conference</i> to discuss project planning; Negotiations with the EC project manager to <i>conclude the addenda</i> necessary to permit the implementation of planning;</p>	<p>A regional network is being created of higher educational institutes and universities in transport planning, investment appraisal and multimodal transportation in the TRACECA area. During end October, the project held a regional workshop in Chisinau / Moldova on curricula development, pedagogical methods and e-learning.</p>

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<i>Motorways of the Sea project</i>	<i>International Logistics Centres in Western NIS and the Caucasus project</i>	<i>International Logistics Centres in Central Asia project</i>	<i>Land Transport Safety and Security project</i>	<i>Strengthening Transport Training Institutes in the NIS project</i>
<p><i>Widening contacts with potential project players and users</i>, for example when representatives of the project attended the Transport Week in Odessa and established contacts with international and national professional organisations (forwarders, custom brokers, etc.), shipping companies, forwarders and sea ports</p>	<p>B2: Based on its experience in TRACECA countries, the project implemented a stakeholder seminar for finalisation of the ranking process, and will prepare an ultimate selection of the site for those the studies</p> <p><i>B3: Visit to the relevant logistics centres:</i> The study tour concentrated on the following objectives - Visit logistics centres in Europe and demonstrate the PPP in practice and applied in order to visualise and demonstrate best-practice solutions.</p>	<p><i>Presentation of the project</i> was held on 8 April, 2009 in Almaty. The project is on track with its work program and issued a Task B report in November describing the multi-criteria analysis, the coordination process with beneficiaries, and the results of the analysis and selection process.</p>	<p>Work on a <i>functional review, legislative gap analysis</i>, and design and implementation of generic training programmes; Preparation of <i>ToR / task descriptions</i> for the recruitment of senior short-term experts from the beneficiary states to assist with carrying out the functional review and legislative gap analysis;</p>	<p>Among the wide range of training activities, the IDEA-team focuses on a <i>regional transport atlas of the TRACECA region</i> with the transport infrastructure network, existing and forecasted traffic flows over the main corridors with a modal split, planned investments in transport infrastructure on those corridors, etc.</p>
<p><i>Coordinating on activities with other projects</i>. One inter-contracts meeting was convened by the EC in Brussels, and coordination meetings took place in Ukraine (Kiev and Odessa, the latter at the initiative of the EU Delegation), and other contacts and exchanges have become regular</p>	<p>B3: The programme and the participant list for the study tour was developed in cooperation with the beneficiaries and EC. The study tour gave the participants the opportunity to see "state-of-the-art" logistics facilities in function. Best practices related to organisational and financial appraisal will be also presented</p>	<p>A Task A report in September covered the traffic data base, situation regarding transport and logistics centres in the region and highlighting of problems and issues raised by stakeholders. The project also elaborated individual country reports containing relevant background information on infrastructural, regulatory and traffic issues.</p>	<p>Support to introduction of a tachograph, and preparatory work for implementation of a <i>specialist training programme</i>; and Drafting of template for <i>awareness & communications strategy</i> and initiate the process of identifying potential partner NGOs in the pilot countries.</p>	<p>This freight atlas, highlighting EurAsian trade and transport flows, has as major contents:</p> <ul style="list-style-type: none"> - Transport and trade flows; - Transport policy in TRACECA; - Transport chains and intermodal transport; - Logistics in TRACECA perspective; - Operational procedures in TRACECA; <p>External effects of transport in TRACECA.</p>

Sources: Information based on reports and transmissions from TRACECA TA projects



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Annex 3: Output Performance Report

Project title : Transport dialogue and interoperability between the EU and its neighbouring countries and Central Asian countries		Project number: EuropeAid 155-683	Countries: all TRACECA member countries
Planning period : December 2009 - June 2010		Prepared in: December 2009	Consultant : Consortium TRT, DoC, Alfen, PTV
Output results	Month as planned in IDEA Technical Offer	Month as actually produced or implemented	Reason for deviation
M1 High Level Kick-off Meeting	Month 2	Month 1	Opportunity of 7 th IGC meeting at Issyk Kul / Kyrgyzstan used for presentation of IDEA Project
M2 Project web-site goes online	Month 4	Month 4	IGC Permanent Secretariat opposed against transferring functions from existing to new web-site
M3 First Regional Ministerial Conference	Month 4	Month 17	Topic of PS reformation needs to be thoroughly prepared. First RMC to take place simultaneously with TRACECA Investors (Finance) Forum for reasons of financing constraints
M4 Working group meeting	Month 6	Month 4	Brussels Coordination Meeting in September 2009 as occasion for WG session



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Annex 4: Monitoring and Evaluation Plan

Project title : Transport dialogue and interoperability between the EU and its neighbouring countries and Central Asian countries								Project number: EuropeAid 155-683		Countries: all TRACECA member countries		
Period: May 2009 - November 2009								Prepared in: December 2009		Consultant : Consortium TRT, DoC, Alfen, PTV		
TIME FRAME (months)								INPUTS				
mid-May - mid- November 2009								PERSONNEL (Key Experts)	PERSONNEL (Short-Term Exp.)	FLIGHTS (round-trips no.)		
No	ACTIVITIES IMPLEMENTED	May	June	July	Aug	Sept	Oct					Nov
1	EC-Consortium kick-off meeting	x							6	12		
2	Mobilisation	xx							3	4	(3 single trips)	
3	Review / analysis of studies	xxx							22	12		
4	Information up-date	xx							16	5		
5	Appraisal of Traffic Model	x							16	20	5	
6	Project Site Set-up	xx	xxx						12			
7	Appraisal of Transport Data Base and Webpage	xx	x						36	16	4	
8	Work programme and activities	x	xx						6	6		
9	IGC Meeting / Issyk Kul		xx						12		3	
10	Stakeholder analysis		xx	xxxx					8			
11	Identification and contact of main stakeholders		xx	xxxxxxx	xx				44	4	5	
12	Analysis of Stakeholder Responses			xxxxxx	xxx				5			
13	Draft Inception Report		x	xxxxxxx	xxxx				15	16	3	
14	Translation				xxx				1			
15	Comments				xx	xx						
16	Final Inception Report					xx			2	4		
17	Reformation of the PS					xx			10			
18	Brussels Coordination Meeting					xxxxx			15	33	3	
19	National Transport Policies					xx	xx	x	11	6		
20	Action Plans & IGC Long-Term Strategy					x	xx	x	6			
21	Traffic Model					xx	xx	xx	x	21	24	3
22	Route Logistics Performance Index					xx		xx	x	4		
23	Project Prioritisation					x	xxxxxxx	xx	27	9		
24	Investment Manual							xxx	xx	7	6	
25	Baku synergy meeting							xxx	4			
TOTAL								309	177	26 round-trips		



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Annex 5: Distribution of Tasks and Activities among Project Key Experts

Project Tasks and Activities	KE 1	KE 2	KE 3	joint
Component 1: Supporting implementation of TRACECA LT Strategy and related Action Plans				
A1.1.1 Political and Transport Dialogue	●			
A1.1.2 Realignment of Transport legislation		●		
A1.1.3 National Transport Policies	●			
A1.1.4 Action Plan 2007-2009	●	○	○	
A1.1.5 Action Plan 2010-2012	●	○	○	
A1.1.6 Regional Ministerial Conferences				●
A1.1.7 TRACECA Transport Data Base and Data Collection		●		
A1.1.8 TRACECA Transport Data Base and Traffic Forecasting		●		
A1.1.9 TRACECA Long Term Strategy	●			
A1.2.1 Proceedings from previous working groups				●
A1.2.2 Thematic Working Groups				●
A1.2.3 Thematic Working group outputs and follow through				●
A1.3.1 Current competencies	●	○	○	●
A1.3.2 Training	●	○	○	●
A1.3.3 Training Coordination	●			
A1.3.4a Leveraging from IFI methodologies - Project Preparation		●		
A1.3.4b Leveraging from IFI methodologies - Project Financing			●	
A1.3.5 Investment Manual		○	●	
A1.3.6 Public Private Partnerships			●	
A1.4.1 The TRACECA Permanent Secretariat and IFI Coordination	●		○	
A1.4.2 IFI and Stakeholders working community	●	○	○	
A1.4.3 IFI Coordination meetings	●	○	○	
A1.5.1 Advising on and developing recommendations for change	○	●		
A1.5.2 Implementation assistance		●		
A1.5.3 Personnel and resources		●		
A1.5.4 Training		●		
Component 2: Project identification and Project definition				
A2.1 Methodology for project identification and screening		●		
A2.2 Project Pipeline Database		●	○	
A2.3 Project screening and filtering		●		
A2.4 Pre-selection and project short listing		●		
A2.5 Appraisal and evaluation of short listed projects		●		
A2.6 Sounding out short listed projects with IFIs and other stakeholders		●		
A2.7 PPP and project identification			●	
Component 3: Mobilisation of Funding				
A3.1 IFI project sounding and screening			●	
A3.2 Feasibility study assessment			●	
A3.3 Conduct Pre-feasibility Studies			●	
A3.4 Identification of Project financing needs and sources			●	
A3.5 PPP and promotion of PPP projects			●	
A3.6 Business Advisory Council			●	
A3.7 TRACECA Investment Fund			●	
Component 4: Communication and Dissemination				
A4.1 Communication and dissemination strategy	●			
A4.2 Coordination activities	●			
A4.3 Production of TRACECA project materials and literature	●			
A4.4a Events	●	○		
A4.4b TRACECA web-site	○	●		

● *Primary Responsibility* ○ *Supporting Responsibility*



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Annex 6: Annual Work Plan for next Working Period

Project Title : Transport dialogue and interoperability between the EU and its neighbouring countries and Central Asian countries							Project number: EuropeAid TRACECA 155-683		Countries: all TRACECA member countries		
Planning Period : December 2009 - June 2010							Prepared in : December 2009		Consultant : Consortium TRT, DoC, Alfen, PTV		
Political objective: enhance regional transport dialogue and transport inter-modality between EU and these countries through enhanced co-ordination and working with IFIs, closer collaboration and participation of IFIs and private sector in TRACECA transport projects. Technical objective: improve the transport links of EU Trans European Networks with neighbouring countries (Caucasus, including Armenia, Azerbaijan, Ukraine and Georgia) and the Central Asian countries, thus facilitating trade and enabling socio-economic and environment development in the region.											
No	ACTIVITIES	TIME FRAME						INPUTS			
		December 2009 – June 2010						PERSONNEL (person-days)			
		Dec	Jan	Feb	Mar	Apr	May	Key Experts	Internat. ST Experts	Local ST Experts	
1	WGM on competitive railway tariffs	X	X X	X X X				8			
2	Project Prioritisation	X X X	X X	X X X X	X X			44	80	30	
3	Realignment of transport legislation and national transport policies	X X X	X X	X X X X	X X			15	40	45	
4	Transport model upgrade	X X X X	X X X X	X X X X	X X X X			18	326	67	
5	Action Plans & IGC Long-Term Strategy	X X X	X X	X X X X	X X X X	X X X X		15			
6	WGM on Infrastructure					X X X X	X	15	10		
7	Coordination Meeting on transport and trade facilitation issues					X X X X		8			
8	Training on IFI methodologies	X	X X	X X X X	X X X X	X X X X	X X	18	10		
9	Reformation of PS			X X X X	X X X X	X X X X	X X X X	12			
10	Thematic Working Groups	X	X X	X X X X			X X X	9			
11	Project web-site and publication of TRACECA events	X X	X X		X X X X	X X X X	X X X X	5	10	30	
12	Investment Manual	X X X	X X	X X X X	X X X X	X X X X	X X X X	11	158		
13	TRACECA Transport Data Base and Data Collection	X X X	X X	X X X X	X X X X	X X X X	X X X X	18	50	50	
14	Route Logistic Index			X X	X X X X	X X X X X	X X X X X	12	30	150	
15	Sounding out short listed projects with IFIs and other stakeholders				X X X X	X X X X	X X X X	15			
16	IFI Coordination					X X X X	X X X X	10			
17	Comparative country analysis: readiness for international financing					X X X X	X X X X	12	24	120	
18	Communication and dissemination strategy					X X X X	X	6			
19	First training session for the TRACECA Permanent Secretariat staff					X X X X	X	10			
20	Eighth IGC TRACECA Meeting							6			
TOTAL :									267	728	417



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Annex 7: Feedback from TRACECA National Secretaries on Web Site Contents

	Accepted by %	Strongly Agree	Some-what	Neutral	Some-what Disagree	Disagree
1. include Central, searchable library for TRACECA publication	100%	53%	47%			
Project reports and Terms of Reference	100%	45%	55%			
Events and Proceedings	74%	37%	37%	16%		11%
Presentations	75%	25%	50%	25%		
Protocols and Agreements	95%	53%	42%	5%		
2. include Upload area by stakeholders (e.g. IFIs) for relevant documents of transport modes, projects or country reports	95%	42%	53%	5%		
3. Provide space and tools for creating country web pages by the National Secretaries	95%	32%	63%	5%		
Local language TRACECA content	84%	53%	32%	16%		
Country's Stakeholders contacts	100%	42%	58%			
Country's transport sector reports	100%	32%	68%			
Other country specific data	79%	16%	63%	21%		
4. Provide space and tools for creating projects web pages to prevent loss of knowledge after project implementation, This will include project contacts, Technical documentation, Presentations, Events' Calendar etc....	95%	25%	70%	5%		
5. Hold Event Calendar for all TRACECA events	100%	63%	37%			
6. include newsletters to registered Stakeholders	89%	47%	42%	11%		
7. Link to the online GIS database' upload area for country infrastructure data and transport information (password protected) managed by the country's National Secretary	90%	60%	30%	10%		
8. include attractive presentation of Investment projects for investors and private sector	100%	30%	70%			
9. include personalized content page for registered stakeholders (e.g. transport administrations of member states, freight forwarders associations, IFIs officers) to follow TRACECA activities and upload documents.	85%	25%	60%	10%	5%	
10. Have New design to match the new functionalities	90%	20%	70%	10%		



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Annex 8: Annual Resource Schedule and Budget for next Period

Project title : Transport dialogue and interoperability between the EU and its neighbouring countries and Central Asian countries		Project number: EuropeAid 155-683		Countries: all TRACECA member countries	
Planning period : May 2009 - June 2010		Prepared in: December 2009		Consortium TRT, DoC, Alfen, PTV	
RESOURCES/ INPUTS	TOTAL PLANNED	PERIOD PLANNED	PERIOD REALISED	TOTAL REALISED	AVAILABLE FOR REMAINDER
PERSONNEL					
Key Experts	1,600	266	309	309	1,291
Short-Term Intern. Experts	2,160	360	177	177	1,983
Short-Term Local Experts	2,080	60	20	20	2,060
Total	5,840	686	506	506	5,334
EQUIPMENT AND MATERIAL	Printer, Internet & WiFi Router	Printer, Internet & WiFi Router	Printer, Monitor, Internet & WiFi Router	Printer, Monitor, Internet & WiFi Router	No purchase of other office equipment planned
Incidental Expenditures (Euro):	2,000,000	333,333.33	102,827.87	102,827.87	1,897,172.13



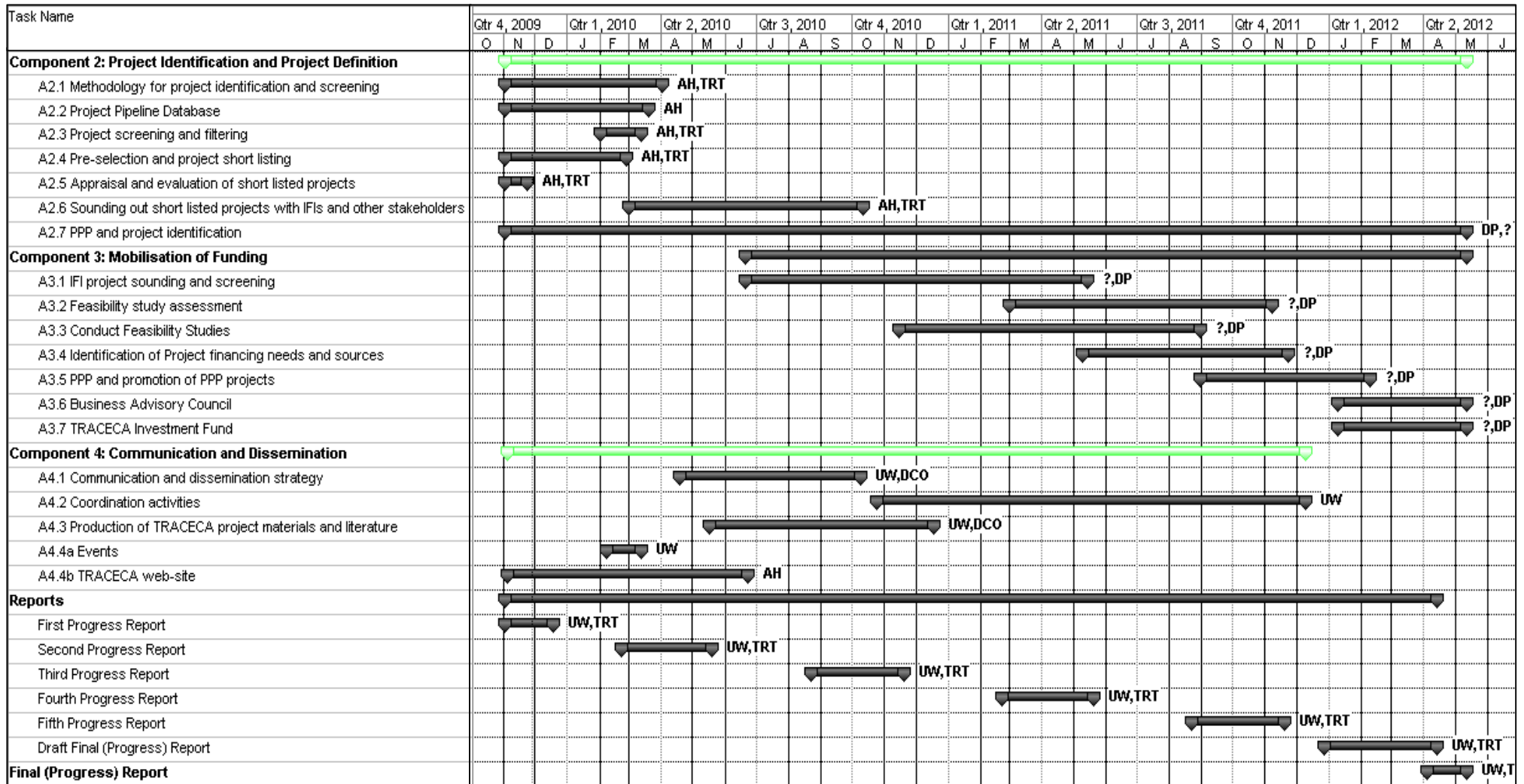
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