

Information on the Implementation of the Strategy of the Intergovernmental Commission TRACECA for Development of the International Transport Corridor “Europe-the Caucasus-Asia” for the period up to 2015

The Strategy of the Intergovernmental Commission TRACECA for development of the international transport corridor “Europe-the Caucasus-Asia” (TRACECA) for the period up to 2015 was adopted in April 2006 during the V IGC TRACECA Meeting held in Sofia, the Republic of Bulgaria.

Subsequently the Intergovernmental Commission adopted 3 Action Plans for the Strategy implementation for 2008-2009, 2010-2012 and 2013-2015. Annual Meetings of the Intergovernmental Commission performed monitoring of the Action Plans realization on the basis of the Reports of the MLA Parties.

The Strategy was divided into the following components which defined necessary conditions of the corridor development:

- Strengthening and modernizing the institutional dimensions of transport
- Integration and cohesion of infrastructure networks
- Development of sound multi-modal chains
- Exploiting the full potential of air transport and boosting air passenger traffic
- Towards safe, secure and sustainable transport in the TRACECA area
- Secure funding
- Support of the Strategy: enhancement of TRACECA as an international organization.

Action Plans for implementation of the Strategy strictly followed the same structure defining priority activities with the view of achieving the Strategy objectives. There was used a uniform approach to the solution of the Strategy tasks and actions for all TRACECA member states.

At the same time the differences between political and economic factors determined various degree of quality and volumes of the Strategy actions implementation.

The countries achieved considerable success and undoubtedly laid the stable system for the Europe-the Caucasus-Asia corridor development.

Strengthening and modernizing the institutional dimensions of transport

This objective comprises two main components: defining clear-cut missions and roles for central transport administrations and enhancing the efficiency and functioning of these administrations. The countries implemented the actions aimed at the separation of the powers and missions of central transport administrations to focus exclusively on the setting of transport policy and regulatory frameworks, and conferred the responsibility for managing the transport sector on public and private operators. *Creating a regulatory basis favouring the participation of the private sector, drawing up the market rules, ensuring fair and open competition became major priorities of TRACECA countries activities in this segment. Establishing tariff principles and funding rules, setting economic, social, fiscal, safety and environmental standards and criteria for the various transport modes became the objects in a new regulation in transport sector.*

In Azerbaijan such actions were defined in the period of 2006-2015 within the framework of the National Strategy for development of transport sector prepared with the assistance of ADB/CAREC. In 2008 there was adopted the Law on Road Transport, developed the Law on Railway Transport which along with the previously adopted Laws on Road Traffic (1998), Roads (1999) and Code of Trade Navigation (2001) formed the bulk of the legal basis for transport operation in the country.

Objects of decentralized administration in **Azerbaijan** are exclusively private forwarding and transport-logistic companies.

Transport Strategy of **Armenia** comprises two instruments of 2009: the Strategy of Transport Sector Development of Armenia up to 2020 and the National Strategy of Transport Safety. During the period of TRACECA Strategy implementation Armenia adopted the Law on Road Transport (2006), the Law on Transport Inspection (2006), Railway Transport (2007), Road Traffic Safety (2007), the Law on Introduction and Revision of Tariffs for services related to obligatory technical inspection of vehicles by means of defects checking facilities (2007). The Government of the Republic of Armenia prepared a new package of documents on road transport, which was submitted to the Parliament of the Republic of Armenia for approval.

Liberalization of transport sector in Armenia was carried out on the basis of the Development Strategy adopted in 1997.

The legislation in **Bulgaria** underwent considerable changes in view of entry into the European Union.

Public policy and management responsibilities are separated between the Ministry of Transport, Information Technologies and Mass Communications which is held liable for the development of sustainable transport system, and Agencies (rail, road, maritime transport, civil aviation).

The development of the transport system is ensured by the Strategy of transport system development of the Republic of Bulgaria up to 2020, General development plan,

Strategy and National plan for implementation of the European Management System of Railway Traffic (EMSRT), Strategy of implementation and application of technical specification to ensure compatibility with generalized railway system in The Republic of Bulgaria.

In 2011 in **Georgia** there were implemented the reforms providing for the separation of responsibility of the public policy (administered by the Transport and Logistics Development Policy Department of the Ministry of Economy and Sustainable Development) and regulation (administered by 3 special agencies).

For the period of implementation of the TRACECA Strategy Georgia adopted the Law on Licensing and Permits (2005), the Law on Transport Management and Regulation (2007), the Law on electronic signature and electronic document (2008), the Law on customs duties and charges (2010) and a new Customs Code (2011), which along with the adopted Laws on Roads (1994), Road Transport (1995) Maritime Code (1997), Air Code (1996), Railway Code (2002) form the legal basis of the transport sector. Georgia signed the Association Agreement with the EU, envisaging the implementation of the European Legislation, including transport sector.

Iran acceded to the MLA in 2009 and joined the activity on the implementation of the Strategy: some effective laws, regulations and guidelines were approved and implemented regarding targeting of subsidies, privatization and the process of privatization execution, foreign investment promotion and protection, regulation of government and private sector partnerships in civil projects, elimination of barriers to competitive production, publishing and selling of participation bonds to implement freeway and railway projects, free access to railway network. In Iran there was worked out the General plan for transport development till 2021 which is under implementation now.

The development of transport sector in **Kazakhstan** is ensured by the implementation of the Government Programme on accelerated industrial-innovative development for 2010-2014, Strategic Development Plans up to 2020 and up to 2030, Ministerial strategic plans for 2011-2015.

In the process of the TRACECA Strategy implementation Kazakhstan adopted the following Laws: the Law on Licensing (2007), the Law on the use of air space and aviation (2010), which along with the adopted earlier Laws on transport (1994), Road Safety (1996), Roads (2001), Trade Navigation (2002), Road Transport (2003), Inland Water Transport define the legal framework for transport activities. Kazakhstan is a member of the Customs Union within the framework of the Eurasian economic community.

Transport policy of **Kyrgyzstan** for the past period was defined by the Programmes for Road Transport and Water Transport Development (2009-2011), Programme for

Development of Transport and Communications (2009-2011) and the Strategy for Roads Development for 2007-2010.

Principal legal documents in the field of transport are the Strategy of Customs Service Development for 2011-2013, the Law on Road Transport 2012, the Law on Public Private Partnership (2012), and previously adopted Laws on Roads (1998), Road Traffic (1998), Railway Transport (1998) and Customs Code (2004).

In 2012 there was established the State Agency for Road and Water Transport which optimized and eliminated duplicating functions of structural units of the Ministry of Transport and Communications. The Agency distributes permits based on the “single window” principle and exercises control of transport on the basis of the “one-stop shop” principle at stationary posts.

Decentralized control units in Kyrgyzstan are airports, urban transport, bus terminals and bus stations.

Actions of **Moldova** in the transport sector are defined by the Concept of building and development of the national network of international transport corridors 2002, Strategy of land transport infrastructure for 2008-2017, Strategy regarding freight traffic and logistics for the period of 2013-2020, Concept of water transport development, Strategy of civil aviation development.

The legal basis of the country comprises the Law on transport (1995), Codes of Road Transport (1998), Railway Transport (2003), Inland Navigation (2003). Moldova signed the Association Agreement with the EU, envisaging for the implementation of the European legislation, including the sphere of transport.

The legislation of **Romania** in the field of transport underwent considerable changes in view of entry into the European Union.

In 1998 there was completed the reform in the field of railway in the course of which infrastructure, transport and passenger and freight traffic management responsibilities were separated. Control of road transport is performed by specialized technical body of the Ministry of Transport.

The National General Plan for development of transport sector in **Tajikistan** for the period up to 2025 was adopted in 2011 being the first document of such nature for this segment.

The legal basis contains the Law on Transport (1997) as amended in 2000 being the main document regulating transport activities in the country.

Main policy documents for the regulation of road transport in **Turkey** are Road Transport Law (2003), Road Traffic Regulation (2004), Professional Competence Training (2004), Regulations on Vehicle Inspection Check-up Stations (2004). Intermodal transport is regulated by the Strategy adopted in 2014.

Transport policy of **Ukraine** is determined by the Transport Strategy up to 2020 (2010), Maritime Doctrine of Ukraine up to 2035 (2009), Strategy for development of sea ports up to 2015 (2008), Strategy for development of railway transport up to 2020 (2009), the Programme Concept for Development of Road Transport up to 2015 (2011).

The legal basis in the field of transport consists of the Laws on Transport, Forwarding Activity, Freight Transport, Transit of Goods, Road Transport, Transport of Dangerous Goods, Sea Ports, Code of Trade Navigation and Water Code. Ukraine signed the Association Agreement with the EU, envisaging for the implementation of the European legislation, including the sphere of transport.

Transport policy of **Uzbekistan** is determined in the Programme on Accelerated Development of Infrastructure, Construction of Traffic and Communication Facilities in 2011-2015, adopted in 2010, the Concept of Roads Development as of 2006 and the Concept of increasing operational reliability of bridgework situated along the roads for 2008-2015.

During the implementation of the TRACECA Strategy Uzbekistan adopted the Law on Roads (2007) and the Charter of Railways (2008), which along with the Air Code (1993), the Charter of Inland Water Transport (1997), the Law on Road Transport (1998), Railway Transport (1999) make the basis of the transport legislation of the country.

The main policy documents of Uzbekistan include the Programme “On Accelerated Development of Infrastructure, Construction of Traffic and Communication Facilities in 2011-2015”, adopted in 2010, the Concept of Roads Development of 2006, the Concept of increasing operational reliability of bridgework situated along the roads for 2008-2015 and the Plan for development of railway transport communications up to 2020.

The task related to assistance in promoting research and development of new initiatives, in line with the latest scientific and technological advancements in transport, collection of data and statistics was realized unevenly.

Collection and processing of operational information in **Azerbaijan** is performed between transport organizations both horizontally and vertically sometimes applying the existing relevant practice of the EU countries. In accordance with the legislation statistical reports are submitted to the State Statistical Committee by all legal entities (including transport).

The Ministry of Transport of **Armenia** was given the status of national registrar and carries out the collection of data placed on the official site of the Ministry.

The National Institute of Statistics of **Bulgaria** is the structure responsible for the collection of information and statistical research. The Directorate General of Civil Aviation Administration and Executive Agency of Maritime Administration are specialized statistical authorities in the field of air and maritime transport.

In **Georgia** the Transport and Logistics Development Policy Department of the Ministry of Economy and Sustainable Development is responsible for processing and maintenance of statistical database. On a quarterly basis this Department publishes data on the official web-site of the Ministry.

Since 2013 in **Iran** the system of comprehensive transportation studies has been functioning. Furthermore, some effective systems were developed and implemented, including transport incidents and accidents comprehensive information systems.

The National Statistical Committee of the **Kyrgyz Republic** carries out collection of information and its statistical processing.

In **Moldova** the Customs Authority provides the traffic database to the Bureau of Statistics on a quarterly basis.

From 2006 **Turkey** launched an automatic computer system (U-net) which provides the information on the number of licensed national and international road traffic, movements, etc. The System reduces the load at border check-points. All relevant institutions dealing with road transport are directly connected within the framework of this system thereby minimizing delivery time and increasing the reliability indexes of transportation.

In **Ukraine** Ukrzaliznytsa carries out monitoring of railway traffic volumes within the TRACECA corridor and submits them on the basis of inquiries. Ukrzaliznytsa implements electronic document circulation with adjacent railway administrations, ASPU and customs authorities. The State Fiscal Agency maintains similar database on road traffic and submits the corresponding information as required.

*The improvement of educational and research programmes, capacity development programmes aimed at the development of sustainable transport infrastructures and services determined the activities of the countries regarding the **reinforcement of human resources.***

Experts of core ministries and agencies, concerned operators of international transport in TRACECA countries take part in workshops, trainings and educational courses within the framework of the implementation of the European Union technical assistance projects, as well as – of realization of annual country plans for capacity building.

Education and training of human resources within the transport sector of **Azerbaijan** are mainly performed within the following higher educational institutions:

- Azerbaijan Technical University - (for road and railway transport);
- Maritime Academy (for maritime transport);
- Aviation Academy (for civil aviation)

In **Armenia** education and training of human resources in the road sector is fulfilled at the National Poly-Technical University of Armenia and at the National University of Architecture and Construction of Armenia. Reinforcement of human resources in railway

and aviation sectors is mainly fulfilled in the Russia Federation and other countries within the framework of intergovernmental agreements.

In **Bulgaria** along with the Public Administration Institution and specialized institutions there function certified training centres and preparatory courses in the field of transport. The working programme “Transport” (priority axis 5 – technical assistance) is one of the mechanisms to strengthen human resources.

In **Georgia** reinforcement of human resources in the transport sphere is mainly conducted under the auspices of the Qualification Centre of Modern Technologies, in the frame of technical assistance projects. Important contribution is made by different projects within TRACECA, EUROCONTROL, GAA TO, Aviation Academy of Singapore whereat specialists of Civil Aviation Agency, maritime transport departments have been continuously trained.

Iran carries out reconsideration of missions and duties of respective sectors and subsectors through employment of experts, design and implementation of modern systems and methods of tasks and also office automation, establishment of quality management in organizations, training programmes for the transportation systems operators, staff, experts and managers.

In **Kyrgyzstan** at the National Agency for Road and Water Transport there function educational-technical centres arranging annual trainings for professional development of engineer and technical staff and drivers.

Education and training of personnel for transport sector in **Moldova** are provided by Technical University of Moldova, Academy of Transport, Information and Communications, Transport College, Centers for training of drivers and managers participating in transport sector (compulsory requirement for drivers in international freight traffic and all passenger traffic). Annually the Technical University of Moldova provides capacity building training (72 hours) for road sector specialists.

In **Romania** professional education for all positions in the railway sector is provided by a specialized national Centre within the jurisdiction of the Ministry of Transport in the field of railway transport there function authorized training centres (ATC) for career development and personnel re-training where education is performed in compliance with the EU standards.

In **Turkey** employees of public and private institutions receive training under the EU technical assistance projects, twinning projects, EUROCONTROL, GAA TO.

In **Uzbekistan** the preparation of staff for transport sector is provided by Tashkent Road Institution, Tashkent Institution for Engineers of Railway Transport, Poly-Technical Universities, specialized colleges. Reinforcement of human resources is carried out

within the framework of the programme “Regional Economic Development in Central Asia”.

Education and training of human resources for transport sector of **Ukraine** is basically provided by the following higher educational institutions: State Economic-Technological University of Transport; Dnepropetrovsk Academician V. Lazarian National University of Railway Transport; Ukrainian State Academy of Railway Transport; National Aviation University; National Transport University. Capacity building is fulfilled within the framework of the existing projects under Twinning instrument.

Integration and cohesion of infrastructure networks

A basic infrastructure network was developed for the TRACECA region. This network includes roads, the existing rail system, ports, airports involved in international freight or passenger traffic. The network connects to the Trans-European Network and Pan-European corridors and correlates with the policy of the European Union for development of native networks.

For the past period the countries exerted sufficient efforts for the infrastructure development within the TRACECA corridor.

The main criterion of the identification of priority infrastructure projects in **Azerbaijan** is their regional significance for the development of the attractiveness of the Europe-the Caucasus-Asia transport corridor (TPACEKA).

Based on this principle the following infrastructure projects such as Baku-Tbilisi-Kars and a new modern International Sea Trade Port in Alyat (65 km from Baku) are presently at the completion stage (65 km from Baku).

In 2013 there was commissioned a transport logistic centre for transit flights at the airport of Bina.

At the beginning of 2014 a new modernized terminal was launched at Heydar Aliyev International Airport. A number of other investment projects are being implemented.

Since **Armenia** is at the intersection of international TRACECA and North-South corridors, the basic potential is directed to the implementation of infrastructure projects dealing with the improvement of the above-mentioned transport corridors.

Bulgaria applies the EU Regulations on the Union *acquis communautaire* for the development of the Trans-European transport network and opportunities of identification of infrastructure projects priority.

In order to select priority projects, the Government of **Georgia** applies TEA and AASHTO norms and standards.

Iran took necessary actions aimed at the elimination of the bottlenecks and completion of missing links of transportation infrastructures, made efforts to link the road network and the railway of Iran with neighbor countries at the borders, realization of plans for development of ports and their hinterland, increase of capacity and services of northern and southern ports.

In **Kyrgyzstan** a Group for investment projects realization within the Ministry of Transport and Communications functions on continuing basis.

In **Romania** infrastructure projects are of top priority in accordance with the Government Resolution 225/2014 on approval of methodological standards regarding the priority of investment public projects. In the field of maritime transport prioritization is done on the basis of the National Master Plan. The priority level is determined on the basis of priorities of the Rhine-Danube corridor.

In **Ukraine** the development of plans for implementation of infrastructure projects in the field of railway is carried out in accordance with the procedure determined in the orders of the Ministry of Economic Development, Ministry of Infrastructure and Ukrzaliznytsya.

Development of sound multi-modal chains

Ports development by modernization, optimization and ports management improvement

The development of the Motorways of the Sea in the region is determined by possible use of benefits in the process of regional development, including enhanced economic efficiency and environmental sustainability of the transport system as well as increased regional cohesion promoted by the improved connections between the TRACECA countries and the European Union. In this connection the countries undertook measures aimed at the improvement of infrastructure and services in ports, as well as ensuring good connections from the ports to their hinterland, and also stimulating more frequent and reliable shipping services, including the improvement of maritime safety.

Azerbaijan completed the construction of a new Baku International Trade Port in Alyat which consists of two ferry bridges, three cargo terminals for receipt of containers, Ro-Ro and ships for general/dry cargo at the first stage of construction and five more cargo terminals at the second and third stages of construction.

Trailer operations are carried out in the port of Zyk. Ports of Sangachal and Dubendi are oil and gas terminals.

The Republic of Azerbaijan joined and ratified 29 Conventions in the field of maritime transport. The IMO and ISPS requirements are generally fulfilled. The State Maritime Administration exercises control over the fulfillment of IMO and ISPS requirements and creation of Vessels Traffic Management Systems (VTMS).

Since **Armenia** is a landlocked country it is expedient to develop road and railway infrastructure. The main task of developing multi-modal network consists in the promotion of traffic through the Black Sea–the Persian Gulf and corresponding activities are presently being undertaken.

The most part of river and sea ports in **Bulgaria** were given to concession. The National Port Infrastructure Company manages the port infrastructure of public transport of national importance.

The ports system in **Georgia** includes the ports of Poti and Batumi of middle size for bulk, general cargo and containers, as well as oil terminals in Supsa and Kulevi.

Poti and Batumi are intermodal terminals/nodal points, their specialized terminals provide services to railway ferries and Ro-Ro lines.

Georgia is the participant of the International Maritime Organization, acceded to 15 IMO Conventions and International Conventions of the UN ECE, 10 other conventions in the field of transport.

During the implementation period **Iran** took a number of measures for the ports development concentrating on the development of ports of Anzali, Noshar, Amirabad, that perform cargo handling operations in the capacity of 5 million tons. Priority activities included dredging operations, building of oil marine stations, clearance of the territories, equipping Ro-Ro terminal (Amirabad, Noshar).

The only sea port in **Kazakhstan** is Aktau. Bautino is the base for oil fields supply in the north-east of the Caspian Sea and Kuryk – is the construction base for oil floating platforms. Railway-Ferry and Ro-Ro communication is performed with Baku and Makhachkala. For the period of the Strategy implementation there was reconstructed a railway-ferry terminal, the port enhancement is on-going.

The infrastructure of water transport of **Moldova** includes 1 sea port (on the basis of Danube River), river ports on the Dniestr and Prut (handling operations are performed in one port).

The main port of Moldova is situated in Djurdjuleshty and provides access across the Danube to the Black Sea region and international directions, its territory makes 120 hectares. This port has the status of a free economic zone, consists of oil terminal, handling and storage capacities for grain products and an industrial zone. Oil and grain terminals are functioning, a new container terminal and a platform for general cargo were commissioned in 2011, the first ship was treated at the beginning of 2012.

Constantza is a major port of **Romania** on the Black Sea seacoast. The harbour waters of Constantza port is protected by the cape and piers, consists of three areas – Old Port, New Port and oil tanker basin. The Port has 36 piers of more than 13 metres deep. The length of the waterside is 8 metres, the total turnover of maritime cargo transportation of the Port of Constantza amounts to 50 million a year. In 1999 **Romania** acceded and fulfills now the requirements of the International Convention on Facilitation of International Maritime Traffic (FAL) of 1965 as amended in 1984, 1986, 1989, 1991, 1993 and 1994.

18 ports in **Ukraine** are state owned, but many administrations concluded leasing contracts with private operators of ports and shipping companies for investing and operating of container terminals.

Railway-ferry operations are performed in the Ports of Ilichevsk and Kerch. The main portion of container transfer is performed by Ilichevsk and Odessa Ports.

In 2013-2015 the project on construction of container terminal is implemented on the Quarantine pier in the territory of Odessa Sea Port at the expense of artificial area. Within the area of the South Customs operation and Odessa regional ports in the sea ports Ukraine succeeded in creating electronic document circulation in getting-up of goods and creating Information system of port community.

The importance of modern road transport development is determined by the role of road component in multi-modal transport that can offer direct “door-to-door” service.

In this context the countries undertook actions through two main lines: by restructuring the road transport sector at the national level and developing the agreements governing international road transport between countries. The Concept for Development of International Road Transport along the transport corridor Europe-the Caucasus-Asia adopted at the VIII IGC Meeting in Brussels, in October 2010, is implemented in the countries.

Enhancing the professional standards of the sector in the road transport is carried out by means of integration into national legislations of the requirements to operators and drivers, providing these services, implementation of licensing requirements for companies and vehicles.

The requirements for weight and sizes of motor vehicles performing transport of goods and transit charges were not harmonized along the whole corridor.

Towards the liberalization of road transport during the XI Meeting of the IGC TRACECA held in the Republic of Turkey there was approved the TRACECA Permit System which at the initial stage was acceded by Armenia, Georgia, Moldova, Romania, Turkey and Ukraine.

Enhancement of road safety was paid much attention and main issues were integrated with the Action Plan for improvement of land transport safety within the TRACECA corridor adopted during the IX Meeting of the IGC TRACECA in Bucharest, Romania, in 2011.

According to the Decree of the President of the **Republic of Azerbaijan** from September 2015 there started the implementation of the simplified system of distributing licenses to vehicles drivers through facilitated service «ASANXIDMET», which excludes any factors of corruption.

The use of oversized and heavy cargo is performed in accordance with the Agreement “On weight and sizes of motor vehicles performing international traffic by roads of the CIS member states”.

In accordance with the Licensing Law of **Armenia** of 2001 the services regarding organization of regular passenger traffic, transportation by taxi and transport sector are subject to licensing. From 2014 the process of licensing taxi passenger traffic was

simplified. From 2007 the services on technical diagnostics of vehicles were also licensed.

As an EU member, **Bulgaria** applies all European / international regulations and norms, as well as the requirements of all UN ECE Conventions in the field of road transport safety.

In **Georgia** financing road infrastructure increased. With the view of enhancing capacity of transport managers in the beginning of November 2015 the Qualification Centre of "Land Transport Agency" was accredited by the IRU. Qualification center is providing trainings for local and foreign managers which are involved in Freight Transportation. Since 2016 by the Qualification Centre is issuing the diplomas for the professional competence (CPC Manager), which are recognized by the EU member states (and not only).

In **Iran** the mechanism of licensing for road transport companies was modified, plans for enabling of transportation companies were developed and implemented.

In Kazakhstan there was implemented the system of control in real-time operation at transport control posts, installed 30 weighing systems.

In **Kyrgyzstan** passenger traffic by road transport (except taxis) and international freight traffic by road transport are subject to licensing.

Moldova joined the system of TACHOnet, defined the areas with high rate of accidents necessitating the installation of automatic monitoring system of national road traffic. In 2014, in Moldova there was set up the National Board for road safety which coordinates at the national level the development and promotion of strategies and action plans in the field of road safety, provides interagency cooperation and exercises control of policy in this field followed by relevant authorities.

In **Romania** general framework for organization and performance of road freight and passenger traffic define the conditions for provision of quality and safe services, observance of free competition principles, guarantee of open and non-discriminatory access to the market, principles of environmental protection, protection of rights and legitimate interests of physical and legal persons. This segment of the legislation fully corresponds to the requirements of the European norms regarding general rules for access to international transport market.

A new licensing system of **Turkey** corresponds with the EU requirements to domestic and international traffic and envisages 3 main criteria (professional competence, financial standing and good reputation) for the access to road transport market and occupation of road transport operator. The licensing system requires obtaining of different types of licenses for various road transport operations (for

domestic/international passenger/freight traffic). As of August 2015 there were distributed about 581.700 licenses.

The development of the TRACECA railway system is based on carrying out structural reforms aimed at enhancing the efficiency and financial viability of the railway networks, planning of investments in infrastructure, separating management from commercial operations of transport services.

CJSC “**Azerbaijan Railways**” with 51% of state owned shares is the only railway operator in the country; the process of separating infrastructure management from operations is not completed. The development of this sector is determined by the Government Programme for Railway Transport Development for 2010-2014 with the total budget of \$1,5 billion envisaging for installation of traffic guide lights, purchasing of railway equipment, rehabilitation of the main railway line East-West, modernization of electrification system, renewal of tracks, locomotives, contact networks, purchasing of new container platforms, etc.

The only railway operator of **Armenia** is CJSC “South Caucasian Railway” (OJSC branch of the Russian Railways). The concession agreement made for 30 years stipulates the investments in the size of \$ 572 million, allocated for infrastructure modernization, including the replacement and repair of railroad tracks, signaling and communication systems, renewal of the rolling stock. From 2011 the Directorate for Infrastructure Management carrying out the optimization of administration costs was integrated with the OJSC structure.

Georgia carried out restructuring of the railway into a state joint stock company in charge of the management and technical maintenance of railway infrastructure and operational activity of passenger and cargo traffic. Since 2011 the affiliated company of Georgian State Railway – Georgian Railway TransContainer Ltd fulfills all container operations and manages the railway container terminal.

Iran implemented the construction of the railway lines Kaf (Iran) – Khart city (Afghanistan) and a new railway between Iran, Turkmenistan and Kazakhstan (900 km).

In 2002 **Kazakhstan** carried out the transformation of the national railway company into CJSC “Kazakhstan TemirJoly” in charge of management and servicing railway infrastructure and organization of passenger and freight traffic. 26 affiliated companies carry out main functions of managing passenger and freight traffic, infrastructure maintenance, purchasing and maintenance of the rolling stock, telecommunication. Kazakhstan is planning to create a national operator on the basis of “Kazakhstan TemirJoly”.

The only railway operator in **Kyrgyzstan** is the State-owned Company “Kyrgyztemirjolu”. The railway networks structure is disconnected with some terminal lines. The State aims at the construction of the railway line China -Kyrgyzstan-Uzbekistan.

The only railway operator of **Moldova** is the State-owned enterprise «Calea Ferata din Moldova». There was launched the process of restructuring cost centres for passenger and freight traffic and infrastructure. The access to the private operators sector is planned for the near future. Since 2012 there is carried out modernization of locomotives' park, implementation of the electronic recording system.

The rail traffic market in **Romania** is open for all licensed operators. Commercial disputes between operators are resolved by the Supervisory board of the railway which is under the authority of the Competition council, Emergency council.

In compliance with the European Directive the railway authority of Romania (Afer) was reorganized through creation of the investigative agency of the Romanian Railways (AGIFER).

The railway system of **Tajikistan** is not networked consisting of 3 sections connected in the territory of Uzbekistan. The only operator of the network is the State company "Tajikistan Railway". The separation process started, the country is planning to create an independent infrastructure company by 2018. There were drawn up long-term development plans envisaging the unification of all sections into a single network.

The railway in **Ukraine** is the most developed in the region. The State Railway Administration provides guidance of 6 regional companies of Ukrzaliznytsya and performs functions as a state administration and a commercial operator. For the period of 2010-2019 there is in force the National target programme of reform in the sector of railway transport

State-owned joint-stock railway company "Uzbekiston Temir Yullary" is the only operator of **Uzbekistan** and reports directly to the Cabinet of Ministers. For the period of implementation of the TRACECA Strategy the railway infrastructure in the country was extended by 600 km of new roads. Separation between freight and passenger traffic and infrastructure was not implemented. Separation between freight and passenger traffic and infrastructure is not provided by the country in the foreseeable future. Railways perform 90% of all freight traffic in the country. In 2013 In Uzbekistan there started the realization of the project "Construction of a new electrified railway Angren-Pap" which will connect the railway network of Fergana valley with the rest of the system.

Streamlining border-crossing processes is highly important for developing traffic along the TRACECA corridor. In this connection the countries implemented "single window" concept, as well as the "one-stop shop" principles on the border, electronic documents exchange. In a number of countries there function several border check-points under the method of organizing joint customs posts: Kazakhstan-Kyrgyzstan, Moldova-Ukraine, Turkey-Georgia. The system of electronic pre-declaration of transported cargo TIR-EPD is implemented in Bulgaria, Romania, |Moldova, Georgia, Kazakhstan, Turkey, Uzbekistan and Ukraine. Iran and Kyrgyzstan joined the TIR-EPD system.

In **Azerbaijan** on the basis of the National Programme for development of customs system for the period of 2007-2011 there were adopted the following measures – automation of customs procedures and documentation, approximation with international standards and enhancement of customs service infrastructure. From 2010 in compliance with the Presidential Decree at border check-points a "single window" principle in railway and road transport was implemented, electronic methods of documents processing and a digital signature are applied.

In November 2010 in **Armenia** there was adopted the Strategy on borders security and integrated management of state borders. The priority is given to the project of modernization of three border crossing points with Georgia: Bagratashen, Bavra and Gogavan. The project also includes the construction of a new bridge over the border crossing point in Bagratashen which will make it possible to increase the traffic volume through the border and to reduce the waiting time at the border check point.

Georgia considerably decreased the number of necessary export/import licenses and permits, eliminated the system of quantity restrictions for import and export, as well as customs charges for export and re-export, cancelled VAT for export operations, introduced three types of zones with preferential tax treatment. The system of a "Single Window" is applied in the country.

In **Kazakhstan** international customs standards are integrated with the regulatory policy regarding transit operations.

In **Iran** there is realized the construction of the second border terminal at the railway station of Serakhs on the border with Turkmenistan for wheel-pairs changing. At 21 border check-points there was installed the equipment for vehicle scanning. The database of transit traffic is updated, the "single window" concept and the principle of facilitating international transit acquired priority.

In 2013 in **Kyrgyzstan** there were made amendments and changes in the legal system entitling competent state authorities in the field of customs to perform primary documentary control, record of motor vehicles and control of weight and sizes at border check-points along the state border. At border check-points a competent customs state authority applying a Single automatic information system of customs clearance and control in coordination with the competent state authorities exercise transport, sanitary-quarantine and phyto-sanitary control with subsequent delegation of the information to the competent state authorities through information warning on the results of primary control.

In **Moldova** the Provision on electronic customs procedure for goods export (electronic declaration) came in force. The automatic information programme "UNIPASS" was developed. This programme facilitates correct calculations of road charges and simplifies the procedure of vehicles registration.

In **Turkey** the requirements and standards of the International Conventions, recommended by the UN ECE (ADR Conventions and SAD application) are being

implemented. Systems of the automated customs procedures and declarations as well as preliminary information exchange (PAIES) are implemented. Transition from a “single window” concept to the “one stop shop” is performed. Turkey joined the Common Transit Regime System (CTRS) for EU and EFTA countries.

Uzbekistan came to carry out in-depth reforms and modernization of border-crossing procedures. The resolution of the President of 2011 “On measures for further improvement and increase in efficiency of government customs service authorities” concerns, inter alia, further increase in efficiency of customs services, facilitation of methods of payment, further optimization of customs systems at the expense of implementing advanced technologies, risks management, prevention of law breaches and implementation of practice of setting target performances on a case-by-case basis, as well as control mechanisms. In the country there was implemented the system of data communication SafeTIR in real time and the system of preliminary electronic declaration TIR-EPD.

Accession to the UNECE Conventions for provision of harmonization of international carriage of goods and simplification of border-crossing procedures held an important position in the process of creation of a national legal basis to perform international traffic.

Thus, **Azerbaijan** signed 14 out of 57 Agreements and UNECE Conventions in the transport sphere. **Armenia** ratified 9, **Georgia** signed 14 conventions of 57 Agreements and UNECE Conventions in the transport sphere, **Kazakhstan** – 55, **Kyrgyzstan - Moldova** – 21, **Uzbekistan** – 17, **Ukraine** – 17 documents, **Bulgaria and Romania** implement all requirements of the European legislation in the field of transport.

Exploiting the full potential of air transport and boosting air passenger traffic is conditioned by the implementation of a fair and open aviation market. In this connection the countries took measures to ensure fair competition, to open up international aviation markets, to grant access to private airlines to this market, to make new air transport agreements. The countries applied efforts to separate the tasks of airport regulation and management, to decentralize the management functions, to create competent airport authority that can ensure the proper development of their airports provide for aviation safety and security.

In **Azerbaijan** there operate state-owned and private airlines – state-owned airline CJSC “AZAL”, private airline “SILKWAY” and others. The access to the aviation market is granted for the state-owned and private airlines of Turkey, Kazakhstan, Georgia, Ukraine, Russia, Uzbekistan, Austria, Germany, France, Great Britain and other countries.

Azerbaijan is the participant of about 30 bilateral agreements on air transport with the countries of TRACECA, Europe, Asia and the CIS.

At the same time Azerbaijan continues the endorsement process of the draft Agreement with the EU on Single European Sky (ECAA Agreement) and intends to sign this

document in the future. Azerbaijan observes the safety and security requirements and standards of ICAO, EC/EASA, JAA.

In 2013 the Government of the Republic of **Armenia** adopted the policy of “Open Sky” with the main task of ensuring competitive and sustainable services of air transport and, as a consequence, the liberalization of air boundaries of Armenia and facilitation of open market.

From 1st January, 2014 **Georgia** became a member of EUROCONTROL. Moreover, according to the final results of the ICAO Universal Security Audit conducted on December 7-15, 2015 Georgia’s compliance of ICAO security requirements stands at 87.8 per cent. The previous audit of Georgian aviation security system was conducted by ICAO in 2008. At that time, the figure of effective implementation of aviation security was around 58 per cent.

The objective of the audit was to determine a States' capability for security oversight by assessing the implementation of the critical elements of a security oversight system and the status of implementation of security related ICAO standards, recommended practices, procedures and guidance materials. The security quality control functions, training of aviation security personnel, airport operations, aircraft and in-flight security were also audited by the ICAO team.

In **Kazakhstan** within the framework of the Law “On use of air space of the RK and aviation operation” there were endorsed the Rules for inspection certification of the air security service of the airport. The national programme for simplifying the formalities in international air traffic was developed. In compliance with international standards there was established the ICAO training centre on aviation safety in Almaty on the basis of the Civil Aviation Academy.

Kyrgyzstan grants fair and open access to the aviation market for state-owned and private airlines. In 2007 there was made an Agreement with the European Union on several aspects of air communication. On the whole there operate 35 Agreements with different countries. In 2011 Kyrgyzstan put into operation the Aviation rules of air transport, including the noise and emissions requirements.

In **Moldova** there was developed the draft new Law on Aviation Safety in compliance with the provisions of the EU Legislation indicated in Annex III to the Agreement on Common European Space between the European Union, the EU member states and the Republic of Moldova.

During the implementation of the TRACECA Strategy **Turkey** provided fair and equal opportunities for airlines operation at the level of bilateral agreements. Anti-monopoly provisions were changed in line with corresponding protocols. Domestically all companies shall meet the same requirements, including access to market regardless of ownership. In 2006 the shares of the Turkish airlines were offered to public for sale and today the state shareholding reduced to 49%.

Turkey is the Participant of 164 bilateral agreements and until 2023 it is planned to sign the agreements with the rest of ICAO Members and increase the number to 191. Besides, a horizontal agreement with the EU was initiated in 2010. Turkey is a member of ICAO and ECAC. Turkey implemented all technical specifications in accordance with the legal-regulatory basis of the EC/EASA, including ICAO standards for air transportation of dangerous goods.

Safe, secure and sustainable transport in the TRACECA area, comprising social and environmental factors, condition safety, security and protection of users, general public and environment that might be involved or affected by transportation process.

In the maritime field the TRACECA countries during the IX IGC Meeting in 2011 held in Bucharest adopted the TRACECA Regional Action Strategy on Maritime Safety, Security and Environmental Protection for the period up to 2021.

The countries actively acceded to the IMO Conventions and took actions for their implementation.

Azerbaijan acceded and ratified 28 Conventions in the field of maritime traffic. The IMO and ISPS requirements and standards, including transportation of oil in the Caspian Sea basin are generally observed.

State control over the fulfillment of IMO and ISPS requirements and standards and development of vessels traffic management system (VTMS) is exercised by the State Maritime Administration of the Republic of Azerbaijan.

In the field of air transportation, the countries implemented legal standards meeting the requirements of the European Aviation Safety Agency (EASA), JAA, ICAO, Eurocontrol).

Armenia initiated the process of accession to the International Maritime Organization (IMO).

In 2005 there was established the National Board for Road Safety of the Republic of Armenia headed by the Prime Minister of the RA. Since 2009 this National Board has been realizing the national Strategy and the Action Plan for Road Safety.

Iran acceded to 28 Conventions and Protocols of IMO and the Convention NAIROBI WRC.

At the national level the countries established within their road authorities specialized road safety departments that are highly competent and efficient, changed the legislation regarding inspection programmes for vehicles, implemented automatic traffic control systems.

Azerbaijan acceded to 15 important conventions/agreements in the field of land transport and fulfills in general their requirements and in particular the standards of the

European Agreement on the International Carriage of Dangerous Goods by Road (ADR), as well as the European Agreement on the International Carriage of Perishable Foodstuffs (ATP). Main requirements of these Conventions are fulfilled.

Digital tachographs are installed in vehicles of Azerbaijani hauliers performing international road traffic. As a result of the activity in this respect for the last 5 years there were not recorded any road transport accidents with participation of Azerbaijani international hauliers.

Road safety issues are coordinated by the specialized Commission of the Cabinet of Ministers headed by the Vice Prime Minister of the Government. The Commission consists of the representatives of the administration of the Ministry of Transport, executive authority of Baku, state road police, "Azerautoyol" Department, etc. Chief Department of Road Police of the MIA and the Ministry of Transport are directly responsible for pursuing road safety policy.

Kyrgyzstan did not accede to the European Convention on the International Carriage of Dangerous Goods by Road (ADR) and Agreement concerning the Work of Crews of Vehicles engaged in International Road Transport (AETR). However, in the country there operate enactments concerning safe transportation of dangerous and special goods, the observance of work-rest regime of drivers. In 2015 there was also adopted the Plan of Measures for 2015-2017 on road safety provision.

Romania created a legal basis for audit of traffic safety. The Laws establish an organizational structure and a method of traffic safety management regarding road infrastructure. The Law is applied for new infrastructure projects and roads integrated with the trans-European network of roads, national roads (from 01.01.2013), and local and urban roads and streets (from 01.01.2015)

Turkey strictly follows the international standards on the carriage of dangerous goods in all modes of transport. Carriers of dangerous goods have to follow training courses and take exams to get CPCs. Starting from 2012 the observance of the requirements is regularly inspected by the specialized Department of the Ministry.

With the view of strengthening the sustainability culture in transport infrastructure development there were carried out the assessments and audit of infrastructure that is of regional /international significance.

At the beginning of 2014 in **Ukraine** there was established Government Service for Transport Safety supervising the traffic safety issues in maritime, river and land transport. In the country there was adopted the Strategy for increasing the level of road transport safety for 2011-2015.

All-round launching of the Galileo Programme remained unrealized.

In **Azerbaijan** the satellite navigation Galileo system was launched into operation by vessels of CJSC “State Maritime Shipping Company” as well as line haul trains “TIR” operating in international carriage.

Secure funding

Countries developed national investment plans, public programmes for financing transport defining the priority actions.

The practice of mobilizing international sources of funding on priority projects was considerably expanded, the legislation on public private partnership was improved, the tender transparency was ensured.

In **Azerbaijan**, with the assistance of IFIs since 2007 there were implemented infrastructure projects to the amount of \$ 3075,6 million.

Armenia has the relevant legal basis, promoting mobilization of investments. The main documents in this field are the Law on Foreign Investments 1994 and the Concept of Investment Policy of 2005. With the assistance of IFIs during the period of the TRACECA Strategy implementation in the country there were realized projects to the total amount in the size of \$ 1542,1 million.

In **Georgia** there were realized the projects to the total amount of \$ 1545, 5 million.

In accordance with the Programme for development of transport infrastructure **Kazakhstan** identified 145 infrastructure projects for 2010-2014. For the period of implementation of the TRACECA Strategy with participation of IFIs there were realized the projects to the amount of \$ 4199,1 million.

With the support of IFIs **Kyrgyzstan** implemented the projects in the size of \$ 756,5 million. In Kyrgyzstan the Law on Public Private Partnership is effective.

With the assistance of IFIs **Moldova** implemented infrastructure projects to the amount of \$ 702,3 million.

With the support of IFIs in **Tajikistan** there were implemented infrastructure projects to the amount of \$ 344,6 million.

Ukraine with support of IFIs invested in infrastructure \$ 3590,2 million.

Uzbekistan realized for the period of the TRACECA Strategy implementation the projects to the amount of \$ 1319,1 million.

The presented Report was drawn up by the Permanent Secretariat on the basis of the reports of the Parties, analytical materials, research data of the technical assistance projects, etc.

The draft Report was sent to the Parties, examined at the meetings of the Permanent Secretariat, amended and presents the narrative information on significant changes implemented by the countries to achieve the Strategy objectives.

The incomplete or partially completed objectives were reflected in the draft Strategy for the forthcoming period.