



UNION OF ROAD TRANSPORT ASSOCIATIONS IN THE BLACK SEA ECONOMIC COOPERATION REGION
(BSEC-URTA)

MIN/GA03/03

Istanbul, 15 July 2003

THIRD MEETING OF THE BSEC-URTA GENERAL ASSEMBLY

MINUTES

Istanbul – TURKEY

Friday, 06 June 2003, at 10:30 hrs

INTRODUCTION

The Third BSEC-URTA General Assembly Meeting started on Friday, 06 June 2003 at 10:30 a.m., with Mr. C. Nuhoglu, BSEC-URTA and UND President, in the Chair.

I. OPENING CEREMONY

Mr. Cetin Nuhoglu, the Chairman, came out with the Opening Speech, welcoming the participants and guests of the Meeting. He declared about the official opening of the Third Meeting of the BSEC-URTA General Assembly.

Ambassador Valeri Chechelashvili, the BSEC PERMIS Secretary General, thanked the Chairman and welcomed the participants and guests of the Meeting. He expressed his belief that the Meeting will contribute to the facilitation of the regional cooperation in the Black Sea area as well as rise of the Region's profile in the Transport Sector. Mr. Chechelashvili underlined the importance of the recent dramatic changes in the South-Eastern Europe and the Black Sea area that resulted into the new challenges, solution of which now required strengthening the regional partnership rather than simply cooperation. Having emphasized the necessity of transforming the international institutions as well as regional organizations, he remarked significance of the BSEC's contribution to that process based on the new mandates issued by the Istanbul Decennial Summit. The Ambassador expressed his confidence that building up good-neighborly constructive relationship between the BSEC Member States, contributing to the new European architecture and economic cooperation, whilst ensuring the compatibility of collective and individual interests would be the main challenges to face in the next years. He called on the participants to unite the efforts, applying pragmatic concept of economic cooperation and to promote better image of the Black Sea Region for benefit of the peoples and States.

Mr. Costas Masmanidis, Secretary General of the BSEC Business Council, appreciated the activities of BSEC-URTA and congratulated BSEC-URTA President and the staff of the Union. Mr. Masmanidis assured the participants that BSEC Business Council will remain to be the strong supporter of BSEC-URTA.

Mr. Metin Kalkavan, President of the Union of Chambers of Commerce, Maritime Trade & Commodity Exchanges of Turkey, welcomed the activities of BSEC-URTA and supported statement of the BSEC representatives in regard with necessity for combining efforts for developing the Black Sea region. He called on the representatives of various transport sectors to the mutual fruitful cooperation and wished the meeting to be a success.

Mr. Oguz Satici, President of Turkish Exporters' Assembly, drew attention of the participants to close interrelationship between the sectors of foreign trade and international transport, pointing out the necessity of close cooperation in order to overcome such sectoral barriers like complicated procedures of border crossing, visa issuance, etc. He denoted the successful works carried out within the framework of the Black Sea Economic Cooperation initiative, in particular by the BSEC Business Council for the Business Sector, and by the BSEC-URTA – for the Road Transport Sector. On behalf of



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the Turkish Exporters' Assembly, Mr. Satici expressed full support to such endeavors and wished the Third Meeting of the BSEC-URTA General Assembly to be a success.

Mr. Peter Krausz, Head IRU Members & Policy, expressed his gratitude to UND for hosting the meeting and praised excellent management and guidance given to the BSEC-URTA by the Turkish Association. He noticed with appreciation that BSEC-URTA in its activities had been duly reflecting two major strategy priorities of the IRU - Facilitation of the International Road Transport and Sustainable Development. In this connection, Mr. Krausz mentioned efforts undertaken by BSEC-URTA on the BVPD Project and recent conduct of the Meeting of BSEC-URTA Ad-Hoc Group of Specialists on Technologies. He also touched upon other topical issues of the IRU – EU enlargement and geopolitical situation in the Middle East. In particular, he drew attention of the Member Associations representing countries-candidates to the European Union about necessity to avoid any clashes between themselves and importance to obey the tools of GATT agreements. Underlining that reconstruction of Iraq would make an important influence on the transport market and expressing hope that certain political tension there would decrease, Mr. Krausz called on the Member Associations to concentrate efforts to improve conditions of secure and rapid transit possibilities towards the Middle East countries. Finally, Mr. Krausz assured the General Assembly that IRU was ready to support in different ways the activities of BSEC URTA.

H.E. Mr. Binali Yildirim, Minister of Transport of Republic of Turkey, welcomed the participants and expressed full support of Turkish Ministry of Transport to BSEC-URTA, which, as he said, brought together bodies and institutions representing the transport industry, accelerating and facilitating the cooperation process. H.E. Mr. B. Yildirim wished BSEC-URTA success, in particular with regard to its work on Facilitation of Visas for Professional Drivers, Strengthening Cooperation in Professional Training, Simplification and Harmonization of Border Crossing Procedures, Increasing Efficiency of Combined Transport in the Region, etc.

The Chairman thanked the speakers and announced the Coffee Break.

FIRST SITTING

II. ADOPTION OF THE AGENDA

The Chairman informed about the interest of some Member Associations in the post-war developments in Iraq, and referring to discussions about this issue at the BSEC-URTA Management Council Meeting, he put to vote the question of amending the Agenda of the Meeting (DOC/GA03/AG/03) by adding into it a new item for evaluation of the Iraqi issue.

The General Assembly unanimously voted for adding into the Agenda of the Meeting (DOC/GA03/AG/03) the new item, thus the final version of the Agenda was adopted.

III. ADOPTION OF THE ORDER OF BUSINESS

The Order of Business (DOC/GA03/OB/03) was voted and adopted unanimously taking note of the last change in the Agenda.

IV. APPROVAL OF THE MINUTES OF SECOND MEETING OF THE BSEC-URTA GENERAL ASSEMBLY

The Minutes of the Second BSEC-URTA General Assembly Meeting, held in Tirana on 29 November 2002, were voted and adopted unanimously (MIN/GA02/02).



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V. REPORT OF THE MANAGEMENT COUNCIL MEETING

Mr. H. Ozkan informed that the BSEC-URTA Management Council Meeting, as already mentioned, had discussed the possibility of amending the Agenda by adding a new item concerning the situation in Iraq as well as reviewed the reports of the BSEC-URTA International Secretariat about its conclusions on the BSTDB Information Seminar (DOC/GA03/BSTDB/03) and the Meeting of BSEC-URTA Ad-Hoc Group of Specialists on Technology (DOC/GA03/ITSG01/03).

VI. BSEC-URTA INTERIM ACTIVITY REPORT FOR 2003

Mr. H. Ozkan presented the BSEC-URTA Interim Activity Report (DOC/GA03/ACTIV/03), by which he informed the General Assembly on series of contacts established between the BSEC-URTA International Secretariat and other sectoral organizations during the first half of 2003. Secretary General also reported about participation of the International Secretariat in various international events of importance for the industry that targeted promotion of the BSEC-URTA objectives.

Subsequently, the Chairman passed to the next item of the Agenda.

VII. BSEC-URTA INTERIM PROJECT PROGRESS REPORT FOR 2003

1. BSEC Visa for Professional Drivers (BVPD)

Mr. A. Albu briefed the participants about fruitful participation of the BSEC-URTA International Secretariat in the *BSEC Ad Hoc Group of Experts Meeting on Visa Facilitation* (29-30 January 2003) and in the *Eighth Meeting of Council of Ministers of Foreign Affairs of BSEC Member States* (18 April 2003), taking the action in its capacity as sectoral dialog partner within the framework of BSEC. (See details in the Report DOC/GA03/PROGR/03).

In particular, *Mr. R. Uran* gave general information about development of the BVPD and the outcome of the work of the International Secretariat by that time. Having reminded the main goals of the BVPD Project such as (a) obtaining of long-term visas with multiple-entry option, (b) obtaining visas with minimum bureaucracy within 48 hours maximum, *Mr. Uran* brought the examples of successful bilateral cooperation of Turkey with Bulgaria and Ukraine. In this concern, he specified that Turkish drivers are able to obtain one-year multiple entry visas to Bulgaria within 24 hrs; whereas issuance of multiple entry visas to Ukraine with the period of action up to two years had been taking maximum 48 hrs. *Mr. Uran* also noticed that the costs of such visas were nearly fifty percent lower than costs of similar visas in other countries, with which Turkey was cooperating.

Mr. R. Uran also briefed the participants on the work of the *South-East European Cooperation Process (SEEC) Conference of Ministers of Interior on "Visa regime liberalization and human trafficking"* (3-4 March 2003, Belgrad), in which he had represented BSEC-URTA as BVPD Project Coordinator. As he mentioned, the Conference highlighted the fundamental importance of regional cooperation and agreed on the need for closer bilateral cooperation in developing legal instruments to combat illegal human trafficking and organized crime in the region as essential for harmonizing the visa regime between participating States in order to permit free circulation of people and goods through South-East Europe. The intervention of BSEC-URTA delegation showed that visa is not a barrier in front of illicit human trafficking that ironically may have counter effects stimulating organized crime, and therefore, the visa facilitation would rather help elimination of illegal criminal acts. *Mr. Uran* noticed that the work of the BSEC-URTA International Secretariat on the BVPD Project had been appreciated by the participants of the Conference. In particular, the Chairman of the Conference, UN/ECE Deputy Secretary General, had



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asked for the copy of the BVPD Draft Project to hand it to the Secretary General of the United Nations, Mr. Kofi A. Annan.

Talking about results of the *Ministerial Meeting in Yerevan*, Mr. R. Uran stressed that short term solution for visa simplification could be reached by persuading the Ministries of Foreign Affairs and Interior of the BSEC countries about getting help for obtaining visas at the border points of the countries.

In his turn, *the Chairman* underlined the importance of the *Eighth Meeting of Council of Ministers of Foreign Affairs of BSEC Member States* and expressed his confidence that National Associations of Road Transport in order to succeed in resolution of the visa problem should constantly keep in touch with the governmental authorities informing them on the sectoral needs and strive for resolution of the sectoral problems. The Chairman reminded the participants about organization of the *BSEC Ad-Hoc Group of Experts on Visa Simplification for Businessmen and Visa Facilitation for Lorry Drivers* on 12-13 June 2003 and gave the floor to Mr. Y. Koziy to share his expectations from the event as well as to recommend to participants what kind of consultations vis-à-vis the Ministries of BSEC countries could be held before the Ad-Hoc Group of Experts.

Mr. Y. Koziy appreciated the efforts on the issue of visa facilitation taken up so far by the BSEC-URTA and reminded the participants that different groups of countries had obligations before different entities, such as i.e. Schengen and CIS, in regards with the visa regimes. In this connection, he mentioned that position of BSEC PERMIS was to look for solutions for simplifying visa procedures not violating agreements between different entities. Mr. Koziy recommended that BSEC-URTA National Associations should be in contact with their governmental authorities and inform them on sectoral problems caused by delays in obtaining visas, which would let the representatives of the BSEC countries at the Ad-Hoc Expert Group be properly prepared for fruitful debates at the Meeting.

Mr. C. Masmanidis expressed his belief that for governments the factor of security in resolution of the visa issue was dominating over the factor of the economic welfare. Mr. Masmanidis agreed with Mr. Koziy that the Member Associations should continue lobbying their interests in front of the National Authorities; however deemed it necessary to underline that BSEC-URTA, as the uniting body, should remain the lobbying centre of the Member Associations. He recommended that BSEC-URTA could come up with more modest and realistic proposal to the Governmental Authorities concerning the BVPD that would exclude rejection of the whole proposal due to possible unfeasible factors, thus bringing to initially positive results in the work on the Project.

Mr. R. Uran underlined that one of the aims of the BVPD Project was to develop agreements on bilateral basis, like it had been implemented between Bulgaria, Ukraine and Turkey. With reference to the notice of Mr. Masmanidis about necessity of lobbying the BVPD Project in front of the National Authorities, Mr. Uran reminded that BSEC-URTA had applied to the Presidents of the Member Associations with previously prepared letters to be sent to the National Authorities. However, he noticed with regret that most of the Member Associations had not sent the letters yet to their National Authorities and called them on to be more active in that issue.

The Chairman agreed that it would be expedient to spread good examples of bilateral visa agreements onto other countries in the Region. He reminded the debates at the Second Meeting of the BSEC-URTA General Assembly, where Mr. Kurshin talked about this issue, too. The Chairman supported the idea of Mr. Koziy that in order to have fruitful discussions at the *BSEC Ad-Hoc Group of Experts*, participants from different countries should be well instructed by their Ministries of Foreign Affairs about the problems of the industry. In this connection, Mr. Chairman asked the International Secretariat to get in touch directly with the Foreign Ministries of the BSEC countries explaining the importance of the visa issue in sense of losses for countries due to waiting at the border crossings.

Mr. H. Ozkan informed that the Secretariat took note of the instructions of the President and would prepare the analysis of Waiting Times, Visa Fees and Costs of Losses for Economies, which could be used by the Member Associations for their lobbying efforts. Concerning the final remark of Mr. R. Uran,



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the Secretary General appealed to the Member Associations to send within one week time all available documentation to their National Authorities, whereas the International Secretariat would directly send there the official letters referring to the documentation of the Member Associations.

Mr. N. Salo (AEBTRI) and *Mr. O. Muntean* (AITA) informed that their Associations had already signed and sent the letters to the Ministries of Foreign Affairs of their countries.

Mr. V. Mironenko (AIRCU) said that the Ministry of Foreign Affairs of Ukraine in the nearest future would complete consideration of another issue proposed in the past by AIRCU, namely - introduction of the Passport for Professional Drivers. He advised that upon completion of consideration of that issue, AIRCU would apply to the Ministry of Foreign Affairs of Ukraine with the letter prepared by the BSEC-URTA International Secretariat on the matter of visa simplification.

The Chairman appreciated the initiative of AIRCU to develop implementation of Passports for the Professional Drivers in Ukraine and suggested that the Ukrainian Association could become the initiator of that successful experience in the region.

Mr. H. Ozkan, coming to conclusion on the BVPD Project issue, applied to the representatives of IRU and BSEC-URTA Member Associations requesting to present any available data on costs of losses for economies due to delays in visa issuance on the borders to the BSEC-URTA International Secretariat.

The Chairman thanked the speakers and International Secretariat for the input into the progress of the project work, and since there were no more comments on the matter, passed to the next project item of the report.

2. Harmonization of Road User Charges and Other Charges

Mr. A. Albu drew attention of participants to the matrix tables annexed to the DOC/GA03/PROGR/03, in which the International Secretariat had collected all available information on current road user charges and other charges for each particular BSEC country. Mr. Albu made preliminary conclusions with reference to the annexed tables, gave remarks and came out with the proposals for establishing more friendly transit charges (see Annex P2 to the DOC/GA03/PROGR/03)

Mr. A. Albu proposed that the General Assembly might request the Member-Associations to check and verify the Matrix Tables prepared by the International Secretariat. He also appealed to the Member-Associations to provide the International Secretariat with the list of taxes that compound the road funds in the BSEC Countries.

The Chairman thanked Mr. A. Albu for the report and drawing attention of participants to the Comparison Table for transport cost per km in BSEC Region (Annex P2.4), underlined topicality of aligning transport costs per km in different countries of the region. The Chairman also stressed the necessity to find solution to the problem of informal taxes in some of the BSEC countries.

Mr. C. Soysal (Chairman of the UND Executive Committee), highlighted that lowering road fees by the governments would accordingly contribute to growth of trade, which would finally result in collecting higher amounts of Corporate and Income Taxes, ensuring therefore a trustful source of income for the governments.

Mr. P. Krausz appreciated the work done by the International Secretariat and proposed to make an amendment in the formulation of the table's name "Comparison Table for transport cost per km in BSEC Region", changing it to "Comparison Table of fees and charges per km in BSEC Region". Mr. Krausz informed that last IRU Council Meeting, in parallel to works carried out by BSEC-URTA, had considered implementation of a new Road User Charges system in some of the European countries. Mr. Krausz suggested BSEC-URTA to benefit from the outcome of consideration of that issue by the IRU Council Meeting and to take use of the guidelines on how to present the recommendations to the Member Governments, what principles are acceptable by the industry and what are to be rejected, etc.



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The Lunch Break was announced.

SECOND SITTING

3. Training

Mr. H. Ozkan informed that in accordance with the previous instructions, the International Secretariat had conveyed BSEC PERMIS its wish for the mutual recognition of IRU Academy accredited diplomas in the BSEC Region, and would raise this issue at the next meeting of BSEC Working Group on Transport in September 2003. Mr. Ozkan expressed his hope that IRU would give its full support to start the initiative to promote the professional training within the framework of BSEC. He reminded that CPC (Certificate of Professional Competency) was given on the basis of the EU program standards and since there were many Associations having IRU Accredited Training Centers, it was the high time for BSEC to become a pioneer in arranging multilateral recognition of the IRU Diplomas. Mr. Ozkan noted that since the initiative would be guaranteed by support of the BSEC Working Group, the Secretariat would search for its further endorsement by the Ninth Council of Ministers of Foreign Affairs (Baku, 31 October 2003).

Mr. P. Krausz acknowledged that IRU supported the BSEC initiative to obtain multilateral recognition to the IRU Academy Diploma and informed that in regard with that initiative, IRU intended to elaborate draft text of a possible multilateral agreement between the governments, which then would be transferred to BSEC-URTA International Secretariat for lobbying. Mr. Krausz expressed his belief that the idea of mutual recognition of IRU's diplomas should be facing support of governments.

Mr. Y. Koziy advanced his opinion for support of the recognition of the IRU diploma in the BSEC region and stated that it was in line with the five-year Action Plan, adopted by Ministers of Transport in Sochi in 2000, which was foreseeing implementation of different training programs for transporters. He confirmed that discussions on the issue would be included in agenda of the next meeting of BSEC Working Group on Transport and agreed with Mr. Krausz that it would be very appropriate to submit a full set of documents on that issue.

The Chairman thanked the speakers and underlined the importance of training for the representatives of the transport sector in the BSEC countries. He drew attention of the International Secretariat about necessity of elaborating the ground work in order to ensure consideration of this matter at the Ministerial Meeting in Baku in October 2003. Before any further steps, the Chairman stressed the importance of receiving initial support and reaching full consensus between the Member Associations with regards to this project, and called them on to make statements, if any.

The Member Associations had no objections in regards with the issue.

The Chairman instructed the International Secretariat to prepare necessary documentation in cooperation with IRU to bring the issue to the consideration of BSEC Council of Ministers of Foreign Affairs in Baku in October 2003.

4. Weight Certificate

Mr. A. Albu introduced the participants with conclusions of the analysis and comparison of two models of Weight Certificate (elaborated by SECI and CIS), carried out by the International Secretariat following the instructions of the Second Meeting of the BSEC-URTA General Assembly.

Mr. H. Ozkan appreciated the work carried out by Mr. Albu and stated that two compared models contained the same idea, however valid for different initiatives of the BSEC region. In this connection he underlined a merging role that BSEC could play in this matter. Mr. H. Ozkan appealed to the General



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Assembly proposing to instruct the International Secretariat to coordinate efforts with BSEC and IRU, also taking into consideration close relationship of IRU with UN/ECE, which actually elaborated the SECI model.

Mr. Y. Koziy underlined that SECI Certificate, elaborated under the UN umbrella and being the attachment to the UN Agreement, could become a universal document for the entire region but not only for the SECI and CIS. He shared his idea that there was no need for any other certificates.

Mr. A. Albu emphasized that work carried out by the International Secretariat showed that two Weight Certificates were indeed similar.

Mr. Ozkan agreed with both colleagues, specifying that by saying "to merge" he did not mean creating a third new certificate for the BSEC Countries, but expanding a widely recognized certificate to the bigger platform. He stressed, however, the necessity of negotiating of such an alternative among all the parties.

Since there were no objections, the International Secretariat was instructed to carry out action on the issue in accordance with those proposed in the DOC/GA03/PROGR/03.

5. Combined Transportation

Ms. E. Peser informed the General Assembly on actions carried out by the Secretariat in regards with the Combined Transportation project. In particular, she demonstrated charts showing the final achievements in regards with updating information on existing Ro-Ro destinations and current tariffs in the Black and Caspian Seas. Taking into consideration the geographical location of Albania and Greece, she brought to the attention of participants information on Ro-Ro lines in the Adriatic Sea. Due to expansion of the project with the Ro-La module, charts also demonstrated the most critical Ro-La lines connecting BSEC countries with other countries of the region. *Ms. Peser* appealed to the General Assembly to ask the Member Associations to review the matrix tables and submit to the Secretariat their comments and corrections, if any, before 01 July 2003, after which the data would be put onto the BSEC-URTA web-site. Moreover, taking into account importance of resolving such problems of the intermodal transport as unfair monopoly and low quality service occurring in the working practice of some Ro-Ro providers, she noted that the General Assembly might instruct the Secretariat to prepare a strategy report, identifying opportunities to increase competitive advantage of the road transport and areas of potential improvement as concerns the quality and cost of services rendered by the Ro-Ro companies to the road transport companies.

Mr. H. Ozkan expressed his hope that the progress reached on the project had responded to the supportive interest of the Member Associations in the Second Meeting of the General Assembly in Tirana. He underlined the necessity for the Member Associations to actively contribute to thorough control of the data collected by the Secretariat on the Ro-Ro and Ro-La lines.

The Chairman stressed the importance of the project especially vis-à-vis the situation in Iraq and called on the Member Associations to assist the International Secretariat in ensuring collection of comprehensive up-to-date information on Ro-Ro and Ro-La tariffs.

IRAQ – PROBLEMS AND SOLUTIONS IN THE INTERNATIONAL ROAD TRANSPORT

In accordance with decision of the General Assembly to include into Agenda the item on the Iraqi issue, the Chairman opened the discussions and gave a brief history of development of business relations between Iraq and Turkey. He informed that after the American-Iraqi war in March 2003, all the humanitarian aid to Iraq was being transported through Turkey, Syria and Kuwait. The Chairman pointed out that during reconstruction and restructuring processes taking place in today's Iraq, countries of BSEC Region were in advantageous position to be naturally involved in carrying out transportations

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to Iraq. In particular, Mr. Nuhoglu said that the International Transporters' Association of Turkey had opened an office in Baghdad a week before and intended to continue work on such direction.

Mr. P. Krausz thanked the General Assembly for accepting the proposal of IRU and AEBTRI to hold discussions of the Iraqi issue during the Meeting. He noticed that IRU had been approached by various Associations of International Road Carriers (in particular, from Bulgaria and Denmark) with a request to study the traffic increase towards Iraq, and to assist in resolving rising problems due to the reconstruction process in Iraq. In this connection, Mr. Krausz underlined the importance of having reliable information on transport conditions for the Middle East destinations as well as the transcontinental sense between Europe and Iraq, and called on Member Associations to contribute to update all available information about procedures in their countries at the IRU web-site as well as to share any available data on Iraq. In particular, Mr. Krausz reminded about the Agreement on providing daily data on border waiting times signed a year ago by IRU and interested IRU Member Associations on a voluntary basis. He told that following the MoU, IRU had developed new extendable software to support that daily activity, and called on the Member Associations to become data providers for the system. Within the framework of activities on Iraqi issue, Mr. Krausz informed that IRU was looking forward to organizing a Seminar in the end of August in Geneva to reconsider collected information and analyze real expectations for the transport industry in the region. He informed that it was also planned to hold debates concerning transport conditions towards the Central Asia and the Middle East at the Second Euro-Asian Road Transport Conference that will take place in Tehran on 6-7 October 2003. Finally, Mr. Krausz informed about consideration in Geneva of the issue of organizing a Fact Finding Mission to Iraq to discover by present conditions of traffic towards Iraq transiting Turkey, to make contacts with local authorities at the borders and in the capital cities as well as to emphasize the high interest of transport sector of the BSEC Region in contributing to the reconstruction process. Mr. Krausz called on the Member-Association to voluntarily enter such a mission.

Mr. H. Ozkan showed the photograph slides of the Habur Border Gate between Turkey and Iraq and presented in figures the decline of the post-war economic situation in Iraq. Speaking about the Iraqi foreign trade, Mr. Ozkan mentioned that it came to a halt after the UN Security Council Decision Nr. 661 of 6.8.1990, which entered into force after Iraq's invasion of Kuwait. However in 1997, following the entry into force of United Nations' "Food-for Oil Program" Iraq's trade with the world started to increase, and on 22 May 2003 the UN decided to lift the embargo imposed on Iraq, excluding weapons. Mr. Ozkan also highlighted the impact of the Gulf War on Turkey's transport to/from Iraq. He informed that it was foreseen by media that for next 3 years investments for various projects in Iraq would cost \$ 100 billion USD and that the United States had already announced the main company for reconstruction in Iraq to be the Bechtel.

Ms. N. Salo stated that AEBTRI would welcome all kinds of informative seminars on conditions of transport operations to Iraq due to the estimated increase of Bulgarian transports towards Iraq.

The Chairman charged the International Secretariat to co-ordinate sharing of all available information on Iraqi issue between the Member Associations, and proposed to search the volunteers for joining a fact finding mission.

Mr. P. Nikolaras (OFAE) expressed his position that all the Member Associations should work in the same direction for strengthening position of transporters of the BSEC region in terms of carrying out transportations to Iraq. He congratulated BSEC-URTA President with the progress reached by UND on the Iraqi issue and called on Member Associations to persuade Mr. Nuhoglu to remain the post of the BSEC-URTA President for the next term of office.

Mr. C. Masmanidis stressed the necessity of combining common efforts for utilizing opportunities rising in Iraq and informed that he had made the similar statement on behalf of the business people at the Eighth Meeting of the Council of Ministers of Foreign Affairs of BSEC Member States.

The Chairman thanked the speakers and agreed that restructuring and reconstruction of Iraq was a great opportunity for the transport sector of the BSEC Region.



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Mr. H. Ozkan specified that the fact finding mission could end up in the UND's office in Baghdad and the delegation could prepare its report there, which could be presented at the IRU Seminar in August 2003. Taking into consideration the special interest of AEBTRI and UND in on this matter, Mr. Ozkan proposed to start setting up the fact finding delegation with volunteers from Bulgarian and Turkish Associations, and other Member Associations would propose their candidatures by raise of hands.

The Chairman suggested including into the delegation representatives from Bulgaria, Russia and Turkey, and asked whether Bulgaria and Russia had any reservations.

Mr. V. Tretyachenko (ASMAP) informed that final respond on participation of the Russian Association in the fact finding mission could be given only after consultations with the top management of ASMAP.

Mr. V. Mironenko (AIRCU) said that he was not authorized to make a decision at that high level, however he believed in the considerable interest for Ukraine to work on Iraqi destination, especially being the transit country for Baltic and Scandinavian States on the route to Iraq. As he noted, such alternative could give additional job opportunities for Ukrainian drivers as well as possibly expand the work of the "Viking" Ro-La line, laid through Ukraine, Belarus and Lithuania. He summarized that consideration of possible ways of transporting goods to Iraq would be taken into account in the future plans of Ukraine.

Mr. P. Nikolaras informed about the intention of OFAE to join the fact finding mission.

The Chairman thanked the speakers and highly appreciated the expressed initiative of the Greek Association. He instructed the International Secretariat to communicate with ASMAP, AEBTRI and OFAE for confirming their volunteers' names to the fact finding mission and to prepare in cooperation with them an Action Plan and suggested a calendar to be made together with IRU by the end of June.

The Chairman announced the discussion on Iraqi matter to be over.

VIII. COOPERATION AND COORDINATION WITH INTERNATIONAL ORGANIZATIONS AND OTHER INITIATIVES

1. BSEC and BSEC Related Bodies

Mr. H. Ozkan presented the Report (DOC/GA03/BSEC/03), which highlighted number of visits, contacts and meetings that took place with the involvement of BSEC-URTA International Secretariat, BSEC PERMIS, BSEC Business Council and the BSTDB after the Second Meeting of the BSEC-URTA General Assembly.

Mr. Y. Koziy expressed readiness of BSEC PERMIS for further cooperation and support to the activities of BSEC-URTA, and with reference to the issues discussed during the Interim Progress Project Report, he once again appealed to the International Secretariat to prepare all required documentation, as was agreed, for presenting it at the next Meeting of the BSEC Working Group on Transport.

Mr. C. Masmanidis expressed his pleasure to welcome BSEC-URTA at the Board Meetings and other events of the BSEC Business Council. In particular, he stated that the next BSEC Working Group on Transport would provide a large scope for fruitful cooperation between BSEC-URTA and BSEC. Reminding the participants about existence of the BSEC Project Development Fund, the resources of which were channeled through the Working Groups, Mr. Masmanidis wished that BSEC-URTA would use the challenge to become possibly the first consumer of the Project Development Fund.

The Chairman thanked the speakers and appreciated that support given by BSEC PERMIS and BSEC Business Council was strengthening the endeavors of the BSEC-URTA. Mr. C. Nuhoglu underlined the necessity of establishing strong cooperation and healthy exchange of information amongst all the regional initiatives serving for the transport sector such as SECI, TRACECA, CIS, etc. Thus, he



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expressed his hope the fact finding mission to Iraq would also highlight in its Activity Report the results of contacts within SECI region.

2. International Road Transport Union

The information on cooperation and co-ordination with IRU is presented in the information paper, prepared by the BSEC-URTA International Secretariat (DOC/GA03/IRU/03).

The Coffee Break was announced.

THIRD SITTING

X. REPORT OF THE DRAFT BUDGETING COMMITTEE

Mr. H. Ozkan informed that in compliance with the decision of the Second Meeting of the BSEC-URTA General Assembly, the established Draft Budgeting Committee had held its working meeting the day before, to formulate a BSEC-URTA Contribution Table for allowing sustainability of activities of the International Secretariat after the start of common budget by 1 January 2004. He presented the participants details of Report of the Draft Budgeting Committee (DOC/GA03/BUDG/03), explaining in detail the principles about scales of contribution fees and the varying categories of Member Associations (contributors) by “fixed” and “variable” groups. Upon prior request of Mr. Krausz, who had to leave the meeting due to his early flight, Mr. Ozkan informed the General Assembly that IRU was ready to provide budgetary support to BSEC-URTA in case its financial needs would be more than what its members could provide. Mr. Ozkan read aloud the official notification by Mr. Krausz, which reads as follows:

“...if BSEC-URTA officially requests the IRU for financial support to its activities, to the extent not covered by resources of the BSEC-URTA Member Associations, the IRU will consider such a request in a favorable way”.

Mr. H. Ozkan explained that according the report of the Draft Budgeting Committee, the maximum level of contributions of Member Associations in a year would be € 65,000. However, if the level of Budget for 2002 would be kept in 2004, too, there would be a deficit around € 40,000.

The Chairman thanked Mr. Ozkan and appreciated the work done by the Draft Budgeting Committee. He appealed to the participants to share their comments and questions before the ratification of the documents.

Mr. Y. Tretyachenko, who represented ASMAM at the Meeting of the Draft Budgeting Committee, after consultations with the management of ASMAM, brought to attention of the General Assembly that the position of the Russian Association implied equal distribution of contributions among all Member Associations.

Mr. T. Nurullayev objected the position of the Russian Association, reasoning his point of view by the fact that income levels of BSEC-URTA Member Associations were differing heavily from one to another.

Mr. P. Nikolaras asked whether the amount of the contribution of a certain Member Association would affect its voting rights.

The Chairman, in respond to the question of Mr. Nikolaras, informed that the Draft Budgeting Committee Meeting held the day before decided that eleven Member Associations independent of the amounts they contribute to the Budget would have the equal voting rights.

Mr. O. Afandiyev, who represented ABADA at the Draft Budgeting Committee Meeting, explained that the suggested Contribution Table had been formed very correctly. With regards to the remark of ASMAM representative, he assumed that even if all Member Associations paid equal fee by the



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maximum level in the existing table, the total figure would not change (i.e. € 65,000 raised by 11 associations). Mr. Afandiyev drew attention of Mr. Tretyachenko to the point that, indeed, the Turkish Association was taking an indirect obligation to pay the difference of fixed and lower level contribution fees.

Mr. N. Salo stated that AEBTRI would announce its final position concerning the table of membership fees after consultation within its Executive Board.

The Chairman noted that the same procedure would apply for other Associations, too. He proposed *DOC/GA03/BUDG/03* to the approval of the General Assembly.

The DOC/GA03/BUDG/03 was ratified unanimously.

The General Assembly also charged BSEC-URTA President to take the official steps with the IRU in compliance with the latter's readiness to consider contributing to BSEC-URTA budget favorably.

Mr. H. Ozkan explained benefits of knowing the positions of Member Associations before the end of July 2003 in order to elaborate a Budget 2004 for the consideration of the next meeting of BSEC-URTA General Assembly.

**XI. REPORT OF THE BSEC-URTA INTERNATIONAL SECRETARIAT ON CONCLUSIONS OF
BSTDB INFORMATION SEMINAR**

Ms. E. Peser expressed gratitude on behalf of the BSEC-URTA to the Assistant Project Finance Manager, Mr. Ali Kamalov, for representing the Bank at the "BSTDB Information Seminar for the BSEC-URTA Member Associations", which received high interest of the participants. She presented before the General Assembly the conclusions of this seminar (*DOC/GA03/BSTDB/03*).

The Chairman personally thanked Mr. Ali Kamalov and gave him the floor for his comments.

Mr. A. Kamalov expressed his hope that the Seminar was helpful for finding possible ways of further cooperation between representatives of the transport sector under the framework of BSEC-URTA and BSTDB. Mr. Kamalov appreciated the opportunity to attend the meeting of the BSEC-URTA General Assembly, and thus to get closer to the activities of BSEC-URTA, which he found very promising. Mr. Kamalov told that upon return to Thessalonica, he would report to his management about the results of this Seminar. Moreover, he thought that it could be useful to have a certain framework for cooperation between the Bank and BSEC-URTA. Finally, he proposed to make the following amendments in the Conclusions of the Meeting.

- (1) To replace the expression "BSTDB did not give so far any concrete support to international road transport industry" by "*Financing of Projects fostering the interregional cooperation in the Road Transport Sector is one of the operational priorities of the Bank*". He explained that at that time some sectorial projects raised by the Banks were hidden in different stages of the Project Cycle.
- (2) To delete the formulation "the popular currency of the BSTDB is Euro", since the lendings of the Bank were both in Euro and USD.

Mr. H. Ozkan confirmed that the Secretariat took note of remarks by BSTDB representative and informed the participants about earlier discussions with Mr. Kamalov on possibility of using the BSEC-URTA platform for stimulating project proposals from the representatives of the transport sector and channeling them to the BSTDB, who would evaluate and choose the "bankable" ones for further funding support. The General Assembly requested the International Secretariat to explore any cooperation opportunity with the BSTDB on that issue and to bring up a concrete cooperation framework between BSEC-URTA and BSTDB for the future.

The Chairman asked Mr. Kamalov to specify whether the representatives of the transport sector were eligible to apply directly to the BSTDB for the project funding.



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Mr. A. Kamalov stated that this was possible in all cases. He added that BSEC-URTA could be beneficial for BSTDB the reach commercial entities and companies, members of the national road transport associations of the BSEC countries. He said that since BSTDB did not have branches in other countries, it would be of the Bank's interest if BSEC-URTA would play any additional role, and he believed that BSTDB would be interested to establish a closer cooperation with BSEC-URTA, including technically speaking, a sort of pre-screening of project proposals.

The Chairman thanked Mr. Kamalov and noted that especially in the newly developing countries the road transport sector gets least encouragement from the available funds. In this regard he stated that a perspective worked out by the BSTDB and BSEC-URTA could become beneficial to the sector and would open new horizons for the business investments by the companies working in the international road transportation industry.

Since there were no more questions or objections on the issue, the General Assembly passed to the next item of the Agenda.

XII. REPORT OF THE BSEC-URTA INTERNATIONAL SECRETARIAT ON CONCLUSIONS OF MEETING OF BSEC-URTA AD HOC GROUP OF SPECIALISTS ON TECHNOLOGY

Mr. R. Aghayev expressed gratitude on behalf of the BSEC-URTA to all the participants of this meeting of BSEC-URTA Ad Hoc Group of Specialists on Technology. He emphasized that the meeting had been highly motivated by the BSTDB Information Seminar, which provided scope for possibility of implementing quickly the existing ideas. He presented the conclusions of the meeting (DOC/GA03/ITSG01/03).

XIII. NEXT MEETING OF THE BSEC-URTA GENERAL ASSEMBLY

Mr. H. Ozkan informed that following the tradition of organizing the meetings of BSEC-URTA General Assembly twice a year in the capital city of the country, in which BSEC holds its Chairmanship-in-office, the International Secretariat had already received the affirmative approach from the Member Association in Azerbaijan (ABADA) for organization of the next meeting of the General Assembly in Baku. He gave the floor to the President of ABADA, Mr. T. Nurullayev.

Mr. T. Nurullayev expressed his pleasure and readiness to organize the next meeting of BSEC-URTA General Assembly in Baku and welcomed all the Member Associations to Azerbaijan on 30 October, 2003.

XIV. MISCELLANEOUS

The Chairman asked if there were any other matter suggested by any Member Association for consideration. Since there were none, *Mr. Nuhoglu* thanked all Member Associations for their active contribution to the deliberations during the General Assembly meeting and proceeded to his closing remarks.

XV. CHAIRMAN'S CLOSING REMARKS

The Chairman thanked all the participants and honorable guests of the Third Meeting of the BSEC-URTA General Assembly for their presence and important input into the work of the meeting. He underlined the importance of high interest in BSEC-URTA General Assembly meeting, as shown by the Minister of Transport of the Republic of Turkey, Presidents of Union of Chambers of Commerce, Maritime Trade & Commodity Exchanges of Turkey and Turkish Exporters' Assembly, and other Guests of Honor.



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The Chairman expressed acknowledgment of thanks to H. E. Mr. Binali Yıldırım, Minister of Transport of Republic of Turkey and new government of Republic of Turkey for contribution to the development of cooperation with the professional organizations. He underlined that strong support of the Minister of Transport to the work of BSEC-URTA would certainly help to overcome most important challenges in its activities.

Mr. C. Nuhoglu especially thanked Ambassador H.E. Valeri Chechelashvili, Secretary General of BSEC PERMIS, for providing his support to BSEC-URTA projects as well as opening this beautiful seat of BSEC PERMIS to such a meeting of the Union.

On behalf of the BSEC-URTA Member Associations, *the Chairman* expressed gratitude to the IRU in the face of Mr. P. Krausz for its readiness to provide considerable financial support to the budget of BSEC-URTA International Secretariat. He appreciated important messages given by Mr. Krausz to the General Assembly. He thanked Mr. C. Masmanidis and Mr. Y. Koziy for their input and endless support to the activities of the Union.

The Chairman:

- Stressed the necessity of active lobbying for the BVPD Project and reminded that the International Secretariat should forward its supporting letters to the related authorities in the BSEC countries;
- Called the Iraqi issue “*one of the most significant of the topics discussed*”, the development of which would influence greatly the transport sector in the region; underlined the necessity for the International Secretariat and interested Member Associations to work hard in order to overcome any information shortcomings, and hoped the results of the Fact Finding Mission’s work could be obtained before the organization of IRU Seminar on Iraq in Geneva in August 2003. Mr. Chairman once again thanked the Associations wishing to participate in such Mission;
- Underlined the significance of implementing the necessary work by the International Secretariat for presenting the proposal for multinational recognition of IRU Diplomas at the BSEC Working Group on Transport in Istanbul, and then, upon approval by the latter, at the Ministerial Meeting in Baku on 31 October 2003;
- Appreciated the progress made together with the BSTDB on potentially using the BSEC-URTA platform for pre-screening of projects proposals to the Bank. He stressed the importance of creating an appropriate framework for cooperation between two organizations in accordance with the previous discussions;
- Stressed the importance of holding the First Meeting of BSEC-URTA Ad-Hoc Group of Specialists on Technologies and highlighted the importance of working in the same direction;
- Emphasized with appreciation the approval of report of the Draft Budgeting Committee, and reminded that the International Secretariat would start preparing the *Budget for 2004* after July 2003.

The Chairman highlighted importance of establishing a healthy exchange of information between the BSEC-URTA Member Associations and the need for developing mutual cooperation on a constant basis.

The Chairman thanked the staff of BSEC-URTA International Secretariat, all the participants and guests for their fruitful work. He expressed his hope that the Third Meeting of the BSEC-URTA General



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Assembly had been beneficial for ensuring better conditions for joint work of representatives of the transport industry in the BSEC region.

The Chairman officially closed Third Meeting of the BSEC-URTA General Assembly.

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