

Development Concept for the GUAM Transport Corridor

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Introduction

According to the provisions of the Joint Statement on the future development of Euro-Asian transport links, signed at the Ministerial meeting held in Geneva under the auspices of UNECE on February 19, 2008, the development of more efficient, secure and more reliable Euro-Asian transport routes should enable the provision of additional transport options to existing and future trade flows between Europe and Asia, and facilitate the participation of these national economies in the world economy.

During the GUAM Baku summit (June 18-19, 2007), held under the motto “GUAM: Bringing continents together”, which defined the long-term priorities for the organization’s development, Heads of State instructed their governments to intensify efforts regarding the transit potential of GUAM member states and to attract international support and investment to this end.

At the international conference "GUAM-Transit", held in Baku on April 29-30, 2008, projects on developing the GUAM transport corridor in the direction of Baku-Tbilisi-Poti (Batumi)-Ilyichevsk-Kiev-Chisinau were presented. At that time, the main issues that needed to be urgently resolved in order to enable fully realising the corridor’s potential were also discussed. The Baku conference created an opportunity to outline the basic contours of future actions in this direction.

At the GUAM summit in Batumi, held on July 1, 2008, Heads of State instructed their governments to develop a comprehensive concept of the GUAM transport corridor, also entailing involvement on the part of the private sector.

Economic changes and their accompanying processes in advancing foreign economic relations require a new approach to developing transport, and redistributing freight and passenger traffic flows. Extending international cooperation, intensifying integration processes and expanding international trade requires a favourable environment for the unhindered flow of cargo and passenger traffic connected with providing interstate economic and cultural ties.

The growth of transit traffic increases the efficiency of using national transport systems’ carrying capacity reserves, and stimulates their replenishment and improvement.

Concluding intergovernmental agreements, adhering to existing international conventions and treaties, and developing a unified interstate strategy should make it possible to avoid tension in international relations with regard to competition between the sovereign states, on the territories of which there exist alternative transport routes.

Finding the appropriate solution to these problems will make it possible to avoid tensions and moreover, will become a long-term stabilising factor in developing relationships.

Whatever political and economic changes may take place, the traffic transit route chosen, developed and tested in practice along the GUAM corridor shall be a stabilising long-term factor.

The present concept is being developed in accordance with the above-mentioned instructions by the Heads of State and is intended to promote the development of the GUAM transport corridor, to ensure its competitiveness, to improve the network of communication routes along the corridor, and to increase the international traffic flow through the Republic of Azerbaijan, Georgia, Ukraine and the Republic of Moldova, thereby contributing to economic prosperity and creating a zone of integration and security within the GUAM region.

Section 1. Analysis of the condition and main directions for developing the GUAM international transport corridor.

1. Definition, objectives and tasks of the GUAM transport corridor.

The GUAM transport corridor is a complex of thoroughfares, both overland and over water, with appropriate infrastructure extending across the territories of GUAM member states.

The objective of developing the present corridor is to improve the efficiency of foreign trade transportation and to secure guarantees of its implementation on the basis of international agreements and arrangements strengthening states' economic security, as well as attracting third-party states to national passenger transport infrastructure and generating additional income as a result.

In order to achieve the above-mentioned objectives, it is necessary:

- to create conditions for transport services to stimulate GUAM member states' further economic growth;
- to gradually implement institutional changes in the economy's transport sector on the basis of an improvement management system, the development of a competitive environment within the transport services market, and pricing liberalisation;
- to accelerate integration into the European and world transport systems according to the principles of the European transport policy, approaching international standards, and technical and operational requirements in the sphere of transport activity;
- to unify legislation in the sphere of transport and customs of GUAM member states;
- to strengthen the state's coordinating role in developing the transport network, multimodal transportation and logistic systems, to create new transport equipment and technology, and to increase the efficiency of interaction between different types of transport;
- to create the conditions for improving national carriers' and freight forwarders' competitiveness on both the domestic and international transport services market;
- to ensure the effective operation of a national network of international transport corridors and their integration into a single transport network system of international significance, and attracting transit freight flows in terms of Euro-Asian and other prospective international trade routes;
- to create a flexible tariff system;
- to create and develop a virtual informational system, and to develop an informational database between GUAM member states.

1.2. Analysis of the condition and main directions of developing international transit through the GUAM corridor.

1.2.1. Principles of developing transit through the GUAM corridor are as follows:

- establishing international transport corridors with branched transport-communicational infrastructure and a network of logistics terminals, which form the basis for integrating transport into the world transport system, as well as an important prerequisite for attracting foreign investment for transport infrastructure development;
- developing international transport corridor zones, which should be implemented according to the general directions of states' socio-economic development in order to satisfy requirements related to the economic efficiency of capital investments and ensure significant improvement in the technical level of transport, and to consider current international standards and regulations in this field;
- improving the regulatory framework and tariff policy aimed at attracting transit flows along the international transport corridors passing through the GUAM countries;
- conducting foreign policy aimed at fully using GUAM countries' transit transport potential;

- developing transport intermodality by optimising interaction between different types of carriage and a rationalisation of transfer operations.

1.2.2. Main directions of developing transit through the GUAM corridor:

- effectively using international transport corridors and integrating into the international transport system;
- providing GUAM states' economies with safe, smooth, maximally short and low-cost means of communication for to access neighbouring countries and international economic centres;
- fully implementing the export potential of GUAM member states;
- maximal usage of opportunities for regional economic integration;
- strengthening GUAM member states' transit potential by forming an optimal scheme for international transport corridors;
- developing road infrastructure.

1.2.3. Priority areas for organising the transport of transit goods and export-import oriented goods through GUAM member states:

- developing and expanding the route for transporting goods using the "Viking" combined transport train and the "Zubr" container train in the direction of the GUAM states' transport route, with consideration of the unification of prioritised transport routes of "Eastern Partnership" member countries and the network of TEN-T corridors;
- maintaining the operation of the Poti-Baku-Aktau-Almaty container train as a continuation of the route for the "Viking" combined transport train and the "Zubr" container train;
- taking measures to ensure interaction between the GUAM and TRACECA transport corridors.

1.3. Ensuring transport safety and environmental protection.

Taking into consideration the fact that the corridor's functioning forms the basis for the sustainable economic development of the GUAM member states, the problem of ensuring the security of the GUAM transport corridor should be taken into account while developing all components of GUAM member states' transport policy.

The main directions for ensuring transport safety within the GUAM corridor are as follows:

1. Developing and implementing actions aimed at ensuring:
 - safety in terms of the life and health of passengers and transport sector employees;
 - the safety of cargo, carried on the different types of transport in the GUAM corridor;
 - the safety of vehicles and transport infrastructure of international function to provide the security of passenger and freight transportation.
 - the prevention of the illegal transportation of arms, ammunition, explosives, narcotics and dangerous goods;
 - the financing of expenses related to anti-terrorist actions and trafficking in the transport sphere;
 - economic security, and the fight against corruption.
2. Implementing measures to identify, prevent and mitigate possible illegal actions that heighten risks with respect to ensuring security within the GUAM corridor.
3. Developing common rules to ensure transport systems' safety, and the mechanisms of their implementation in accordance with international standards.
4. Providing a legal framework in the sphere of transport security.

The GUAM transport system's functioning shall ensure minimised negative environmental impact of transport activity, including air emissions, minimised harmful effects of infrastructure facilities' construction, reconstruction and exploitation.

Improving environmental safety encourages improvements in terms of transport characteristics, as well as characteristics of infrastructure exploitation.

It is advisable that GUAM member states interact in the field of environmental protection, to be carried out in the following areas:

- developing common requirements regarding the environmental impact of transport activity and control methods for its detection;
- developing and implementing common methods for planning and developing infrastructure with respect to its environmental impact;
- jointly developing passenger and freight transport systems for environmental safety;
- implementing common scientific and technical developments with respect to minimising the negative environmental impact of transport activity;
- implementing joint actions in order to prevent traffic flow that can be damaging to human health and the environment.

1.4. Increasing the efficiency of the GUAM transport corridor as an economically beneficial link between Europe and Asia.

The globalisation of the economy and trade is leading to the continual growth of freight traffic between Europe and Asia, which, in turn, increases the importance of the GUAM member states' transport system.

The development of more effective, safe and reliable overland transport routes may provide additional transport alternative facilities to existing and future trade flows between Europe and Asia, and facilitate the participation of national economies in the world economy.

The development of overland transport routes in order to facilitate access to the markets of those countries located along the corridor could significantly contribute to these countries' economic development and effective cooperation in terms of transit traffic.

In order to create high-quality transport infrastructure and to facilitate the adequate and economically beneficial supply of services for freight shipment between Europe and Asia, it is necessary to increase both public and private investment in transport infrastructure.

To improve the efficiency of the GUAM transport corridor and to determine the appropriate priority transport routes within this corridor, the following is necessary:

- to expand and intensify measures at the national level to stimulate the long-term financing of priority projects;
- to support and promote cooperation with other countries and international organisations with respect to transit, and with the private sector regarding transport;
- to eliminate any non-physical barriers along the corridor existing at key transport hubs and ferrying points;
- to increase the capacity of border crossing points;
- to stimulate actions taken to harmonise transport legislation.

To develop international traffic through the GUAM corridor, it is necessary to protect roads from intensive deterioration and bring them in conformity with international standards. The main criteria for this are road capacity, improving traffic safety, creating services for motorists (e.g. hotels, motels, camping, along with trade, food, medical care, and other facilities), as well as transport services (technical maintenance, refuelling, help with respect to traffic accidents).

Section 2. Extending the GUAM international transport corridor.

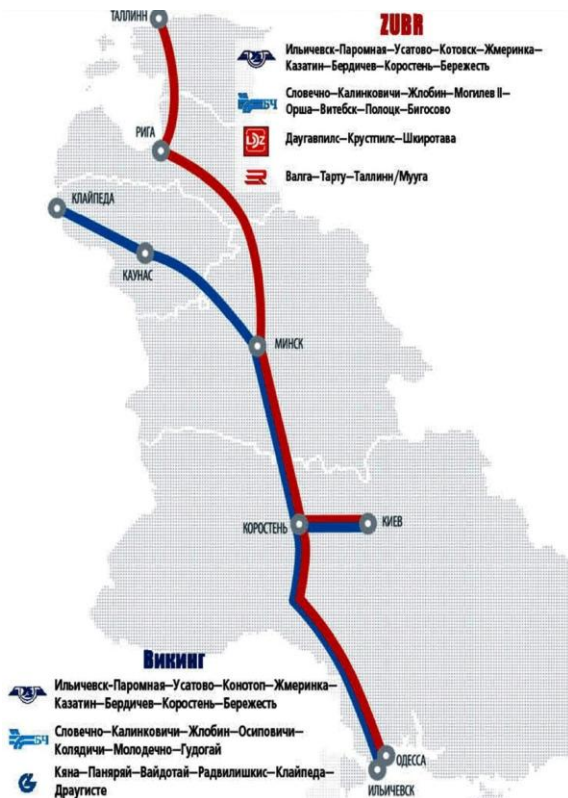
1. Prospects for combining the GUAM transport corridor with combined transport trains connecting the Black and Baltic seas.

"Viking" is a combined transport train that runs along the Ilyichevsk (Ukraine) - Minsk (Belarus) - Klaipeda (Lithuania) route, covering 1,738 km. The train connects the chain of sea container and pickback lines in the Baltic region with the Black, Mediterranean and Caspian Seas.

"Zubr" is a container train that runs along the Ukraine - Belarus - Latvia - Estonia route and back (the Ilyichevsk - Minsk - Riga - Tallinn route and back), covering about 2,160 km.

Jointly, both the "Viking" and "Zubr" trains run to the Kalinkovichi Station (Belarus), where railcars are further sorted accordingly to the destination stations. In 2012, Poland and Moldova were joined to the existing route.

Transportation along the GUAM corridor using the "Viking" and "Zubr" combined transport trains, connecting the Black Sea and Baltic Sea, with involvement of ports, ferries, rail and road networks in Ukraine, Moldova, Azerbaijan, and Georgia, as well as transport links to Central Asia, China and other countries, should attract additional freight traffic and increase freighters' interest in the present route.



Map 1. Route of the "Viking" and "Zubr" trains

2.2. Prospects for cooperation between the GUAM and TRACECA transport corridors.

Expanding mutually beneficial cooperation in the region will contribute significantly to regional economic integration, to the emergence of a common market of goods and services, as well as strengthening GUAM's key role in establishing the Europe-Caucasus-Asia transport corridor (TRACECA).

Efficient operation and ensuring the security of transport communication infrastructure extending across GUAM member states, including the Europe-Caucasus-Asia (TRACECA) transport corridor, will enable the routes to compete with other corridors.



Map 2. New Kars-Akhalkalaki railway line from the Baku-Tbilisi-Kars project

Prospective interaction between the TRACECA and GUAM transport corridors is also, to a large extent, connected with the following routes: Baku-Tbilisi-Kars and Almaty - Baku-Tbilisi-Poti- Odessa-Chisinau. The beginning of the Baku-Tbilisi-Kars railway will enable the unimpeded delivery of transit freight from Central Asia to Turkey by train, and the Almaty-Baku-Tbilisi-Poti-Odessa-Chisinau route will enlarge the possibilities of combined transportation to Europe via Ukraine and Moldova. Meanwhile, to realise this plan requires an agreed-upon transport and tariff policy, the harmonisation of legislation, broadening of the informational network, and the simplification of customs procedures about the crossing of goods across states' borders.

The Odessa-Chisinau and Odessa-Kiev routes with further access to EU borders are also an important vehicle segment on the territories of GUAM and TRACECA, and attention should be paid to this in order to attract additional traffic flows.



Map 3. The routes of the TRACECA corridor and “Viking” train

2.3. Joining the Poti-Baku-Aktau-Almaty container train to the “Viking” combined transport train and the “Zubr” container train routes.
 Combining the routes of the “Viking” train and the “Zubr” container train with the Poti-Baku-Aktau-Almaty route will increase the transport of containers, trailers and trucks (contrailers) through Odessa and the Ilyichevsk port to the Middle East, the Caucasus and Central Asia, and also in the reverse direction.

Conclusion

Implementing the provisions of the present Concept will ensure rapprochement and the integration of the national economies of the GUAM states, aimed at the creation of a free trade zone, the further development of the economic space, and improved cooperation in the transport sphere, which is a necessary condition for establishing this space.

The increased efficiency of transport work will be of great economic and social importance for each of the countries involved. Particularly significant, this effect will show itself in terms of long-distance transportation. By minimising transportation costs, the competitiveness of the GUAM corridor will increase and, thus, transport's contribution to resolving economic problems will lead to strengthening the unity of GUAM member states.

Accelerating the implementation of the provisions of the present Concept is of crucial importance for participating states as a whole, entailing the effective functioning of their industrial and social spheres, and the provision of secure, stable and reliable operations of all types of above-ground and water transport. Moreover, GUAM member states' geopolitical roles should increase.

The provisions of the present Concept on developing the GUAM corridor may be specified with regard to their priorities, and depending on the social and economic situation in GUAM member states.