

Minutes of the Eighteenth Meeting of the SECI Agenda Committee

March 23, 2001 at 9 a.m.

Venue: Federal Government Palace, Belgrade

The SECI Coordinator, Dr. Erhard Busek, chaired the Eighteenth Meeting of the SECI Agenda Committee. SECI Participating States (Albania, Bosnia and Herzegovina, Bulgaria, Croatia, Federal Republic of Yugoslavia, Greece, Hungary, Romania, Slovenia, the former Yugoslav Republic of Macedonia, and Turkey) attended, together with Montenegro (observer) and the Supporting States (Austria, Czech Republic, Italy, Switzerland, the United States of America). There was no representative present from the Republic of Moldova. The UN Economic Commission for Europe, the European Commission, the World Bank, the Office of the High Representative and the Black Sea Economic Cooperation were also present. He also welcomed members of the SECI BAC who were in attendance. The SECI Coordinator stressed the importance of holding the 18th meeting in Belgrade.

1. Welcoming Remarks by the Host Country

The newly appointed SECI National Coordinator for Yugoslavia, Ms. Jelica Minic, welcomed the Agenda Committee to Belgrade. She stressed that it was very important that Yugoslavia is now a part of SECI and she thanked all the SECI countries for supporting Yugoslavia in the initiative. She also added that SECI membership would also bring many opportunities for the business community.

2. Adoption of the Conclusions of the Seventeenth Meeting of the Agenda Committee held on December 6, 2000

The Conclusions of the Seventeenth Meeting of the Agenda Committee held on December 6, 2000, in Zagreb were unanimously adopted.

3. Adoption of the Agenda

The Agenda was unanimously adopted.

4. Report of the Coordinator

The SECI Coordinator put special emphasis on developments in the relationship between SECI and the Stability Pact and the fact that there has still been no real movement towards a type of “meshing” agreement.

The Coordinator then announced that Will Keenan, the driving force behind SECI at the UN/ECE will leave Geneva for new duties in Bangkok and Heinrich Schatzmann will replace him. The Coordinator praised Mr. Keenan for the great contribution he made to SECI since the very beginning. The full report can be found in *Annex 3*.

The SECI Coordinator then gave the floor to Ambassador Larry Napper, Head of the Department for Central and Eastern European Assistance at the US Department of State. Ambassador Napper is ultimately responsible for SECI.

Ambassador Napper sent a very strong and clear message that the United States continues to give full support for and partnership with SECI, which he sees as a forum for practical cooperation in Southeast Europe. He placed special emphasis on the work of the SECI Crime Center and the task force on Combating the Trafficking in Human Beings. He asked all those SECI countries that have not yet sent their financial contributions to the Center to do so. He also pointed to the Trade and Transport Facilitation in Southeast Europe (TTFSE) project as a concrete example of success. Finally, he reaffirmed US support for the SECI Coordinator and his staff.

5. The Impact of Recent Developments in the FRY on the Region

The SECI National Coordinator for Yugoslavia, Ms. Jelica Minic, said that SECI has become part of the internal process of the country. Yugoslavia is joining other initiatives and processes and sees itself as a member of CEFTA and EFTA. Regional cooperation is one of the major foreign policy objectives. She was pleased to see that initiatives are becoming more project oriented. She also mentioned the importance of the Szeged Process in promoting transfrontier cooperation.

The Danube and Corridor X are crucial for regional development and the MoU on Corridor X is of utmost importance. She expressed hope that the issue of business visas will also soon be solved. Information infrastructure and education and training are important because Yugoslavia is in need of know-how in many fields.

The FRY proposed two concrete projects to the SECI Agenda Committee: the first dealing with RoRo transport on the Danube and the second with the exploitation of thermal resources. Both project experts gave a brief presentation of the two projects. The SECI Coordinator then asked the National Coordinator for Yugoslavia to prepare official project proposals, which can then be circulated among the National Coordinators prior to the next Agenda Committee meeting in Sarajevo in May 2001. The proposals will be put on the agenda for Sarajevo and the National Coordinators should be able to come prepared to discuss them on behalf of their respective governments.

6. Report on the Advancement of Projects

6.1 SECI Regional Center for Combating Transborder Crime

Mr. Alexandru Ionas, Director of the SECI Regional Center, Bucharest

General Ionas reported on the goals, objectives and structure of the SECI Crime Fighting Center. All SECI countries have now ratified the Agreement on information sharing. Romania has provided some 2.4 million USD to finance the actual premises of the Center. He reported that Croatia, Bulgaria, Moldova and Greece would send their liaison officers in March or April. Albania, Bulgaria, Croatia and Hungary have sent budgetary contributions. Task forces have been established for dealing with trafficking in human

beings (led by Romania), drugs (Bulgaria) and commercial fraud (Croatia). Hungary has proposed a task force on stolen vehicles. The full report can be found in *Annex 4*.

The SECI Coordinator asked the National Coordinator for Yugoslavia to check what legal preparations are necessary for Yugoslavia to join the Agreement.

Mr. Iver Frigaard from INTERPOL said that there might be a possibility for the SECI Center to have access to the INTERPOL data basis. He stressed that INTERPOL fully supports this effort. The SECI Coordinator asked all the countries to try to have all their obligations fulfilled to the SECI Center by the next Agenda Committee meeting in Sarajevo. He also announced that the September meetings of the Agenda Committee Business Advisory Council and SECIPRO will be held in Bucharest at the Center.

6.2 Commercial Arbitration and Mediation

Mr. Samo Ivanchich Business Advisory Council

This Agenda item was discussed prior than scheduled due to the early departure of Mr. Ivanchich. Mr. Samo Ivanchich gave a progress report, which highlighted that, an action plan for the establishment of a Center for Commercial Arbitration and the expert group had adopted Mediation. The Center will provide training programs for arbiters and mediators and it will house an extensive resource library. The Center will also closely cooperate and coordinate with the network of SECI Business Support Offices through out the region. The full report can be found in *Annex 5*.

6.3 SECI/World Bank Project on Transport and Trade Facilitation in Southeast Europe

Gerald Ollivier, World Bank

Yannis Tsorbatzoglou, American College in Thessaloniki

The representative from the World Bank, Mr. Gerald Ollivier, gave a report on the progress of the SECI/TTFSE project. He welcomed the support of the BAC and SECI PRO in this effort. The World Bank board has approved the first six loans and TTFSE is now moving to Moldova and Yugoslavia. Customs advisory teams have been set up in the four of the six countries (Albania and Bosnia still need to be finalized) and are trying to raise awareness among public officials on what types of issues transporters face. One of the main goals of this effort is to develop standard processing time for crossing border.

TTFSE has a Regional Steering Committee (RSC), which involves the Customs directors from the region. The most visible result achieved so far has been the collection of performance indicating data. Every loan agreement has benchmarks and targets that need to be met. Reviewing the business process at the borders is also essential thus the project has established local teams at given sites that are evaluating and recommending how the process can be more user friendly and how transactions can be made more transparent.

Mr. Tsorbatzoglou gave report of the trade facilitation component of the TTFSE program. Some 2.2 million USD will be channeled through local partners (Koc University/American College of Thessaloniki/American University in Bulgaria) to carry out this program. Koc University will be responsible for developing the curriculum for training of trainers. The American University in Bulgaria will develop the website, which will contain the entire curriculum. He stressed that the BAC can play a key role in getting

feedback from the business community on the effectiveness of the program. The SECI Coordinator said that it is amazing to think what a long way we have come since March 1997 when this entire effort was started. The full report can be found under *Annex 6*.

6.4 Ad Hoc Working Group on the Reduction of Border Delays of Shuttle Trains

Mr. Will Keenan, Economic Commission for Europe

UN/ECE Representative Will Keenan gave a progress report on the work of the group. He stressed that the group is now exploring more economical solutions to digital fiber optic transmission systems.

6.5 Investment Promotion: Cooperation among Securities Markets in Southeast Europe

Ms. Sevtap Taskiran, Capital Markets Board of Turkey

Ms. Sevtap Taskiran from the Capital Markets Turkey reported that the group is preparing a MoU on investment protection for regulators. The MoU was sent out to the Agenda Committee in advance and the group awaits comments. The SECI Coordinator said that a deadline for receiving comments has to be fixed and the next meeting date set.

The Representative from Greece mentioned that since the last Agenda Committee meeting in Zagreb, there has been no effort from the side of the Istanbul Stock Exchange to contact the Greek authorities (concerning the feasibility study). The SECI Coordinator urged both Athens and Istanbul to sit down and negotiate a solution to this issue.

6.6. Development of Interconnection of the Electric Power Systems of the SECI Countries for a Better Integration to the European System

Mr. Trajce Cerepnalkovski, ESM Skopje

Mr. Cerepnalkovski reported that two projects are underway: the subproject on Teleinformation systems and on Regional Project for Transmission Network Management and Expansion Planning. USAID is funding both efforts. This will further contribute towards achieving the goals of the SECI Electricity Interconnection Project, which are to create regional electricity market as well as to better integrate the electricity systems of SECI countries with the Western European electricity network. The full report can be found in *Annex 7*.

6.7 Developments in other SECI projects

Dr. Erhard Busek, SECI Coordinator

The SECI Coordinator said that he discussed with the Hungarian Minister of Interior that possibility of Hungary hosting a working group on cross border cooperation of prosecutors as a part of the greater SECI crime fighting effort. He also mentioned that the UN Protocol Model Law to Prevent that Trafficking of Persons should be put on the level of national legislation and a working group should also look into this

issue. He then asked the National Coordinators to ask their national experts and governments to identify who can take the lead in these efforts and come to Sarajevo in May ready to make concrete decisions.

Mr. Keith Sangway from the European Commission reminded that the Stability Pact has a task force on trafficking with which SECI should be in close coordination. The SECI Coordinator pointed out that SECI is a part of this task force and the coordination is excellent.

The National Coordinator from Turkey said one also has to consider whether the Model Law is based on European or Continental law.

7. Other Proposals

7.1 “Regional Cooperation in Regulation of New Communications and Information Technologies”

Ms. Jozica Puhar, National Coordinator for Slovenia

SECI National Coordinator for Slovenia announced that things were a bit slow at the start due to some changes in the Slovene government but now there is full support for this effort and the first expert group meetings will be held in April.

Mr. Keenan then reported from the first meeting of the Stability Pact eSEE working group in Zagreb. He mentioned that the group was not aware of the SECI project on telecommunications. The group is focusing on three major areas: e-business, e-education and e-government. The SECI National Coordinators for Slovenia (host of the SECI telecommunications project) and Croatia (host of the SP project) are also national coordinators for the Stability Pact, therefore it is important that an agreement is worked out to avoid any unnecessary overlap or duplication.

7.2 Regional Network for the Efficient Use of Energy Resources (RENEUER)

Mr. Zdravko Genchev (Vice Chairman of the UNECE Energy Efficiency 21 Project) presented the regional energy project RENEUER – Regional Network for Energy Efficiency – which aims to identify the regional potential for energy efficiency, to identify potential partners, to aggregate the regional potential for a series of energy projects and to make projects attractive for strategic investors. He said that a small working group consisting of himself, Dr. Busek and Christian Luger from Siemens has met to discuss funding possibilities. It was decided that the project’s activities had to be packaged differently in order to approach different donors.

The four major components of the project are investment, capacity building, and legal framework and information dissemination. Mr. Genchev stressed that SECI can play an important role in supporting the project by keeping it on the agenda and lobbying for it.

The SECI Coordinator then mentioned some of the difficulties SECI faced in trying to move forward with the energy efficiency zones project. He said that the BAC had asked for a new exploratory group. He also said that by breaking the project down into more doable components, it would be easier to

fundraise. He said that by Sarajevo, SECI should have a clear cut picture what exactly it should do to promote this.

8. Report from the Stability Pact

Mr. Sangway gave an overview of the current status of the Quick Start Projects. He said that now the Stability Pact is moving into more of an operational phase and thus there is a greater need for close coordination with SECI. He urged the SECI National Coordinators to closely communicate with their Stability Pact counterparts. Ambassador Napper also felt that ideally, the SECI National Coordinators and the Stability Pact National Coordinators should be one in the same.

The SECI Coordinator said that perhaps this issue could also be discussed in Sarajevo. He also mentioned a proposal that the SECI Agenda Committee should meet prior to the meeting of Working Table II. Although he said he would discuss this with the Chairman of Working Table II, Mr. Saccomanni, setting dates would be problematic since the dates for SECI meetings (especially BAC) have to be set well in advance. On a final note, the SECI Coordinator mentioned that the Norwegian government gave financial support to the SECI effort to improve the ferry boat services between Vidin and Calafat.

9. Report from the Business Advisory Council to SECI

Mr. Costa Carras, co-chair of the SECI BAC, reported on the meeting held the day prior. He began by reading a resolution unanimously adopted by the BAC, which condemns the outbreak of violence in and around Tetovo (see *Annex 8*). The BAC stresses that trouble in one country has adverse effects on the entire region and Mr. Carras specifically pointed to the problem of clearing bridge debris in the Danube.

He discussed the activities of the country committees for Croatia, the former Yugoslav Republic of Macedonia, Albania, Romania and Bulgaria. The committees involve members of both the international and local business communities in the respective country and focus on promoting trade and investment. The BAC also heard reports from the Business Support Offices (BSO) in Thessaloniki, Istanbul, Udine and Vienna. The BSOs serve as an outreach to the business community.

Mr. Carras explained the relationship between the SECI BAC and the Stability Pact BAC, stressing that the two bodies are different in structure and approach yet closely cooperate through a few individuals who are represented on both councils. He stressed that that SECI BAC has a much better understanding of the business climate in the region since 2/3 of its members are from the region while 2/3 the Stability Pact BAC's members come from outside the region. This group, however, has better connections to the IFIs.

Finally, Mr. Carras mentioned the possibility of working with G-17 to produce a SECI bulletin, which would contain valuable economic data and sectoral analysis from the region. A working group is preparing a proposal, which will be presented in Sarajevo.

10. Report from the SECIPRO meeting on 21 March

Mr. Will Keenan reported on the main conclusions from the March 21, SECI PRO meeting which was held at the Yugoslav Chamber of Commerce and Industry. The Chamber is serving as the secretariat to the newly established YUPRO – Yugoslav PRO Committee. SECIPRO concluded that by focusing on key issues of trade facilitation, it could complement the work of the Stability Pact working group on trade liberalization. In doing so, there should be closer communication and coordination between national experts in these two groups.

SECIPRO sees Corridor X as a priority area for development and should write a letter to the governments of the region expressing concern over the importance that should be attached to Corridor X. Furthermore, SECIPRO should develop a concrete proposal, which specifically defines its relationship with the TTFSE project. This proposal should be submitted for discussion prior to the next SECIPRO meeting in Sarajevo on May 23.

The recommendations from the results of the SECIPRO visa regime review will be made available to the SECI Business Advisory Council and Agenda Committee. Both these groups should put this issue on the agenda of their next meetings in Sarajevo. Tatiana Hadjiemmanuel gave a brief report on the activities of the Technical Secretariat of Corridor X. The MoU can be found in *Annex 9* of this report.

Will Keenan recalled the very first meeting of the SECI Border Crossing Facilitation working group in March 1997 and the four recommendations, which it made. Four years later, the accomplishments of the groups are truly remarkable. Mr. Keenan expressed his gratitude to the Agenda Committee and SECI for a wonderful four years of excellent work.

The SECI Coordinator said that continued support from the ECE is important for SECI's success. He then asked all the national coordinators to lobby with their Ambassadors in Geneva in order to guarantee this support.

11. Other Business

There was no other business.

12. Date and venue of the 19th SECI Agenda Committee Meeting

The 19th SECI Agenda Committee meeting will be held on May 25, 2001, in Sarajevo. Subsequent meetings will be held in Bucharest on September 19 and in Geneva at the end of the year.

- Annex 1*** - Agenda
- Annex 2*** - List of Participants
- Annex 3*** - Coordinators Report
- Annex 4*** - Report from General Alexandru Ionas
- Annex 5*** - Report from Mr. Samo Ivanchich
- Annex 6*** - Report from Mr. Yanis Tsorbatzoglou
- Annex 7*** - Report from Mr. Trajce Cerepnalkovski
- Annex 8*** - Resolution
- Annex 9*** - MoU on Corridor X

EIGHTEENTH MEETING OF THE SECI AGENDA COMMITTEE

AGENDA

March 23, 2001, at 9 a.m.

Venue: Federal Government's Palace

1. Welcoming Remarks by the Host Country: *Ms. Jelica Minic, SECI National Coordinator, Yugoslavia*
2. Adoption of the Conclusions of the Seventeenth Meeting of the Agenda Committee held on December 6, 2000
3. Adoption of the Agenda
4. Report of the Coordinator: *Mr. Erhard Busek, SECI Coordinator*
5. The Impact of Recent Developments in the FRY on the Region: *Ms. Jelica Minic, SECI National Coordinator, Yugoslavia*
6. Report on the Advancement of Projects
 - 6.1 SECI Regional Center for Combating Transborder Crime: *Mr. Alexandru Ionas, Director of the SECI Regional Center Bucharest*
 - 6.2 SECI/World Bank Project on Transport and Trade Facilitation in Southeast Europe
 - 6.3 Ad Hoc Working Group on the Reduction of Border Delays of Shuttle Trains: *Mr. Will Keenan, UN/ECE*
 - 6.4 Investment Promotion: Cooperation among Securities Markets in Southeast Europe: *Ms. Sevtap Taskiran, Capital Markets Board of Turkey*
 - 6.5 Commercial Arbitration and Mediation: *Mr. Samo Ivanchich, BAC to SECI*
 - 6.6 Development of Interconnection of the Electric Power Systems of the SECI Countries for a Better Integration to the European System: *Mr. Trajce Cerepnalkovski, ESM Skopje*
 - 6.6 Developments in other SECI projects: *Mr. Erhard Busek, SECI Coordinator*
7. Other Proposals
8. Regional Cooperation in Regulation of New Communications Technologies in Southeast Europe – Proposal for a Feasibility Study: *Ms. Jozica Puhar, SECI National Coordinator, Slovenia*
9. Regional Network for the Efficient Use of Energy Resources RENEUER: *Zdravko Genchev, Executive Director EnEffect*
10. Report from the Stability Pact
11. Report from the Business Advisory Council to SECI: *Mr. Costa Carras, Cochairman of BAC to SECI*
12. Report from the SECI PRO meeting on March 21: *Mr. Will Keenan, UN/ECE*
13. Other Business
14. Date and venue of the 19th SECI Agenda Committee Meeting

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Belgrade, March 23, 2001

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**Coordinator's Report
December 6, 2000 - March 23, 2001**

December 7 - Vienna

- Meeting with Mr. Jonas Widgren (Director of ICMPD)

December 7 - Vienna

- Speech on "EU Enlargement" at the Symposium "Telecommunications in Central & Eastern Europe" organized by the Danube University Krems and the European Association for Telematics Applications

December 8 - Bled (Slovenia)

- Speech at the Regional Business Meeting Point 2000 "FDI, Economic Development and Security in the Economies in Transition"

December 11 - Vienna

- Conference on "US/GB model or the continental-European model of a social market economy"

December 13 - Geneva

- Meeting with UN/ECE Executive Secretary Ms. Danuta Hübner and Austrian Ambassador to the U.N. Mr. Harald Kreid

December 14 - Geneva

- Meeting with Ms. Susan Schorr (ITU)

December 15 - Vienna

- Conference on "The role of the Central European small states in the EU"
- Speech on the "Strategy of the EU Enlargement" organized by the European Commission

December 16 - Budapest

- Meeting with Hungarian Minister of Interior Sandor Pinter
- Meeting with Mr. Franz H. Kaps (The World Bank)

December 22 - Vienna

- Meeting with Vice-chancellor Ms. Susanne Riess-Passer

January 5 - Klagenfurt

- Speech on "EU Enlargement" at the Workshop "Europe grows together"

January 8 - Munich

- Meetings with Mr. Andreas Frommer at the Vereinigung Bayrische Wirtschaft

January 10 - Bolzano

- Conference on "The EU Enlargement: Chances and Challenges especially in agriculture and SMEs"
- Conference on "A development strategy for SMEs in the border region Italy/Slovenia"

January 11 - Vienna

- Meeting with Romanian Minister of Foreign Affairs Mr. Mircea Dan Geoana

January 13 - Vienna

- Meeting with Mr. Peter Benesch (Austrian Ministry of Finance)

January 16 - Ljubljana

- 3rd Meeting of the SECI Expert Group on Commercial Arbitration and Mediation (attended by Mr. Nasi)

January 19 - Berlin

- Meetings with Gerhard Schröder, Romano Prodi, Hubert Védrine, Valdas Adamkus, Vojislav Kostunica, Milan Kucan, Leonid Kucma during the presentation of the paper "After Reform: Future strategies for whole Europe - expectations of the Central and Eastern European Countries towards the EU"

Vienna

- Internal Coordination Meeting of the Stability Pact Task Force on Trafficking in Human Beings (attended by Ms. Stankov)

January 20 - Berlin

- Meetings with Henry Kissinger, Javier Solana, Rudolf Scharping, Grigorij Jawlinskij, Wladyslaw Bartoszewski, Günter Verheugen, Eduard Kukan, Janos Martonyi, Nadezhda Michailova, Tonino Picula, Pavel Telicka, Jacques Delors during the International Bertelsmann Forum 2001 "New Responsibilities: the European Policy on Security and Defense"

January 23 - Vienna

- Meeting with Mr. Alessandro Pasut and Mr. Giorgio Dominese (SECI BSO in Udine)

January 23 - Vienna

- Conference on “The Process of EU-Enlargement with Special Regard to the Southeast European Cooperative Initiative (SECI) and the Stability Pact”

January 29 - Belgrade

- Discussion of the state of the Yugoslav/Serbian institutions based on the Serbian case study at the Second Meeting of the EastWest Institute’s Advisory Board for South Eastern Europe

January 31 - Vienna

- Conference on “The Future of Europe: Euro - Enlargement - Telecommunication” organized by Raiffeisen Zentralbank

February 1 - Vienna

- Speech on “Chances and Risks in the EU-Enlargement” organized by Austrian Freight Forwarders

Münster

- Speech on “The political situation in Southeast Europe and the Foreign Policy of the EU” organized by Care

February 2 - Vienna

- Meeting with Mr. Christian Luger (Siemens)

February 4 - Bucharest

- Meetings with DCM Susan Johnson, General Alexandru Ionas, General Ferenc Banfi and Ms. Gabriela Konevska

February 5 - Bucharest

- Meetings with Austrian Ambassador Vetter von der Lilie, Minister for European Integration Ms. Hildegard Puwak, Deputy Chairman of the Foreign Policy Committee of the Parliament
- Annual Meeting of the Resident Legal Advisors in Central and Eastern Europe in the SECI Regional Center for Combating Trans-Border Crime

February 5 - Kefermarkt (Austria)

- EUREGIO-Press-Round-Table on “Austria and the Czech Republic together in the EU”

February 6 - Vienna

- Meeting with Austrian Minister of Interior Mr. Ernst Strasser

February 7 - Vienna

- Meeting with Mr. Peter Hasslacher (Austrian Chamber of Commerce), Mr. Alessandro Pasut (SECI BSO Udine), Mr. Giorgio Dominese (BAC to SECI)
- Meeting with Ms. Irina Vojackova (IOM - International Organization Migration)

February 8 - Vienna

- Meeting with Secretary General of BSEC Mr. Valeri Chechelashvili
- Meeting with Secretary General of the Federation of Austrian Industry Mr. Lorenz Fritz

February 8 - Belgrade

- Stability Pact BAC Meeting

February 12-14 - Bucharest

- 8th Meeting of the Joint Cooperation Committee (attended by Mr. Dupont)

February 16 - Vienna

- Conference on “Croatia newly discovered - the European dimension” organized by the Political Academy

February 18 - Sarasota (Florida)

- Meeting with Mr. James Weber (Special Consultant, FBI retired)

February 19 - Raleigh Durham

- Speech on “The future of EU foreign policy vis a vis the U.S., especially in light of the experience in former Yugoslavia”, International Law Society

February 20 - Raleigh Durham

- Speech on “Development of Challenges in Eastern Europe and the role of the European Union” at the “Rethinking Development” series

February 22 - Vienna

- Meeting with Ambassador Larry Napper, Ms. Rosemary DiCarlo (US Department of State), Ms. Ann-Catherine Blank (US Mission to the OSCE), Mr. Ford Robertson (US Embassy Vienna), Ms. Susan Johnson (DCM, US Embassy Bucharest)

Skopje

- Summit of the Heads of State and Governments of the countries participating in the SEECP and SEECP Economic Forum (attended by Ms. Budway)

February 23 - Warsaw

- Speech on “The Future of Europe” Polish Administration Academy
- Meeting with Minister of Foreign Affairs Mr. Wladyslaw Bartoszewski

February 26 - Bologna

- Speech on “Austria and New Old Europe” at the School of Advanced International Studies

February 28 - Vienna

- Donor Briefing Session for the Comprehensive Program for the Training Exchange and Cooperation to address Trafficking in Human Being in Southeastern Europe convened by ICMPD, IMP and SECI
- Meeting with Mr. Veran Matic (editor in chief, ANEM, B92) at the conference on “Challenges and Chances for Cooperation between Austria and the FR of Yugoslavia in the Field of Media”

March 5 - Vienna

- Meeting with Mr. Zdravko Genchev (EnEffect) and Mr. Christian Luger (Siemens)

March 6-7 - Skopje

- Signing of the MoU of the SECI Regional Transmission Planning Project (attended by Ms. Stankov)

March 7 - Vienna

- Meeting with Mr. Yanis Tsorbatzoglou
- Meeting with Slovene Minister for Foreign Affairs Mr. Dimitrij Rupel

March 8 - London

- Meeting with Ministers of Foreign Affairs Mr. Robin Cook and Ms. Benita Ferrero-Waldner, at the Foreign and Commonwealth Office at the Conference “Political and Strategic Reasons for Enlargement”

March 13 - Innsbruck

- Speech on “The perspectives of EU Enlargement after Nice between fulfilled Hopes and disappointed Expectations” at the Conference “The EU after Nice”

Vienna

- Meeting with Hungarian Minister of Foreign Affairs Janos Martonyi at the Round-Table “Common Past - Common Future: Austria and Hungary” organized by the Diplomatic Academy
- Speech on “EU Enlargement - Tasks for Western and Eastern European Countries”

March 19 - Vienna

- Meeting with Chancellor Wolfgang Schüssel

March 20 - Vienna

- Meeting with Governor Klaus Liebscher (Austrian National Bank)
- Speech on “EU Enlargement - Chances and Risks (Ex-Yugoslavia)” organized by Raiffeiseninternational
- Speech on “EU Enlargement - Chances and Risks (Slovenia, Carinthia)” organized by the Chamber of Commerce

March 21 - Belgrade

- Tenth meeting of SECI PRO
- Coordination meeting of the SECI Business Support Offices and Business Information and Clearing Center

March 22 - Belgrade

- Sixteenth Meeting of the Business Advisory Council to SECI

March 22 - Belgrade

- Presentation of SECI's work in the fields of trade and transport, energy and crime fighting to Yugoslav Government officials and related institutions followed by a press conference

March 23 - Belgrade

- 18th meeting of the SECI Agenda Committee

Report from General Alexandru Ionas
Director of the SECI Regional Center for Combating Transborder Crime

Honored participants! Ladies and gentlemen!

Please allow me to thank you on behalf of the Management of the SECI Center for the invitation addressed to us to attend the 18th Meeting of the SECI Agenda Committee.

Firstly, I want to present myself. I am Alexandru Ionas, director of the SECI Regional Center for Combating Transborder Crime – from Bucharest. Few months ago, I was Deputy of the General Police Inspector of Romania and I was responsible for the criminal (judicial) police, including organized crime. Thus, I became involved in this project in which I believed from the very beginning and I put all my hopes.

Before presenting the material on SECI Center I have prepared, I would like to stress that the idea of this project was born in Vienna in 1998 and had as basis the generous idea to unite our forces, to cooperate between ourselves the states from the Central and Southeast Europe, to cooperate between the different law enforcement agencies from this region in order to fight more effectively against crime, against criminal structures, especially against human beings traffic, modern slavery, traffic and consume of drugs, traffic of guns and stolen cars, smuggling and financial crimes. Yes, the idea, the spark appeared in Europe, and I cannot be otherwise than grateful to all those who got involved and supported this project – one of them is Dr. Erhard Busek to whom I address my thanks in this way. It is not enough for parents to give birth to a child, they have to teach him to walk and talk. This is exactly what happened to the SECI Center; the idea, no matter how generous, would have been lost without the material, financial and managerial support offered by different governments and especially Romania which provided a modern headquarters and the necessary equipment.

Further on, I would like to make a short presentation of the situation in the region (Southeast and Central Europe) regarding the organised crime, in order to stress the importance and the necessity for setting up the SECI Center.

The biggest criminal organisations in the region globalize their activities. I am saying that for the following reasons:

At global level, but especially in Southeast and Central Europe it is carried out a process of integration and internationalization of the criminal organisations, as a result of the continuous interaction between them. This may lead to creating of a strong criminal system which will represent an extremely serious threat for the states within the region, for the democracy and human rights.

The main tool used by the criminal organisations (the organised crime structures) IS NOT VIOLENCE, but CORRUPTION. The violence is the last mean leading. Despite the power they have, their intention is not to attend a “coup d’etat”, but to empty the democracy of its own substance.

The traffic human beings, of guns and drugs, the corruption cannot be measured at their real dimensions even though, virtually, they are present everywhere.

The merchandise that is the object of transactions (drugs, guns a/o) is not generally used in the country where it is produced, but it goes in transit through a lot of states until it reaches its destination. Thus, it goes through a lot of state frontiers, banks, companies, customs offices a/o.

The globalization, erasure of frontiers, the free circulation of individuals and goods is applicable only for the criminal organisations, not for the law people who fight against major obstacles (legislation, frontier)

The illicit money laundering – they have to enter the normal circuit without being discovered. They pass several illegal transactions, always through other banks, other countries through sophisticated systems in order to have a legal and correct appearance.

Because of this appearance, they can establish close relationships with political leaders.

Concluding, the criminal organizations consist of people, money and political relations. Those people must be arrested, the money must be confiscated, and the political relations destroyed. This may be accomplished only if the problems are dealt with whole seriousness, through cooperation at international level and using political decision – this is why the setting up of the SECI Center has been so necessary in this region.

In an imaginary map of crime our region is surrounded at East by the Russian Mafia, at Southeast by Turkish and Albanian mafia and at West by the Italian mafia, like a core of a nut surrounded by organised crime. What can we oppose to that?

It is not effective to combat this phenomenon of unified and global criminality by using 12 (twelve) legal systems, 12 legislations and a lot of different judicial bodies with improperly paid staff and which activates uncoordinated; the paradox is that each of them may become an obstacle for the others. You see, I used the number 12 even though the SECI Center gathers only 11 states, but either my colleagues, nor myself cannot think of this international organization without Yugoslavia. We hope that this country will be integrated as soon as possible to our group, as it represents a major element for the stability in the region.

It is obvious that for effectively combating the organized crime, drugs traffic the fight cannot be realized except at international level, and the SECI Center can do it. How? Firstly, by close cooperation between customs and police forces from all the member states which have to set several realistic objectives:

- to strengthen the cooperation between the states and the law enforcement agencies;
- to eliminate the obstacles created by the legislation by setting up a common legislation (for the same crime to be previewed an unique punishment – see the law RICO in United States);
- the liaison officers, the authorities of each state to exchange information and data, to take action more quickly, more precise and more firmly in order to implement the imprisonment and confiscation;
- the strengthening of the police forces, taking special actions, undercover agents, protection of witnesses a/o;
- the destruction of the relations between the criminal organizations and politicians;
- an effective system for tracking down the persons and goods;
- combating money laundering a/o.

We have to understand that we are in a permanent war and we have to find the best strategy in order to make sure that we win, that the leaders of these criminal organizations will be judged and prosecuted no matter where the tracks, connections, possessions and leaders will be. This is also a commitment from our part that we will assure the freedom and security in our present and future society.

Report from Mr. Samo Ivanchich

**ACTIVITY REPORT
Ljubljana, 19th of March**

A. The most important progress the experts made in past 3 months is the adoption of the ACTION PLAN FOR THE SECI COMMERCIAL ARBITRATION AND MEDIATION PROJECT which will accelerate the establishment of the centre.

1. The immediate priority is training in its part of application of the international instruments related to commercial arbitration in general and to the recognition and enforcement of arbitral awards in particular. The objectives of the training program will be:
 - 1.1. Enhancement of the recognition and enforcement of arbitration, on the judiciary side, based on a better common understanding of the international instruments and of the role of arbitration.
 - 1.2. Help minimize the time lag between the issuing of the arbitration award and its actual enforcement. As a result, the program will focus on the following items
 - a. The New York Convention on Recognition and Enforcement of Foreign Arbitral Awards 1958 (Lead agency for carrying out the courses: UNCITRAL)
 - b. The IBRD Washington Convention on the Settlement of Investment disputes between States and Nationals of Other States 1965 (Lead agency for carrying out the courses: IDLI/SELDI)
 - c. The European Convention on International Commercial Arbitration 1961 (Lead agency for carrying out the courses: UN/ECE)
 - d. UNCITRAL Model Law on Commercial Arbitration (Lead agency for carrying out the courses: UNCITRAL)

2. The training program will target:

Judges, under whose jurisdiction the recognition, enforcement and/or annulment of arbitration awards falls; Arbitrators and mediators, as well as potential lecturers who are recommended by the relevant task teams (i.e. task teams no. 1 and 5);

Persons who are responsible for the administrative handling of the cases in the judiciary system and for the execution of enforcement orders.

Those responsible for national policy in the area of commercial law.

The relevant lists will be provided by the Expert Group members as soon as possible. The funds for the implementation of the courses will be raised on a "course by course" basis.

B. The experts defined the role of the SECI Commercial Arbitration and Mediation Promotion and Training Center

The SECI Commercial Arbitration and Mediation Promotion and Training Center will perform the following tasks:

1. Provide conference facilities (class rooms etc.) for the training courses, if needed.
2. Establish a library, which will receive English copies of publications related to commercial arbitration and mediation in all SECI Participating and Supporting States. The pooling of such publications and of the information contained in them is absolutely necessary, in order to provide efficient support to interested practitioners, lawyers and businessmen involved in pending cases as well as to the training program. As a first step, the Expert Group members shall provide English copies of the relevant laws and statutes of arbitration institutions in their country, if possible in electronic form.
3. Compile and continuously update, on the basis of the data delivered by the Experts the recommended lists of qualified commercial arbitration and mediation experts, which will be provided in accordance with Article 5 of the Declaration of the SECI Expert Group on Commercial Arbitration and Mediation, adopted in Ljubljana on October 9, 2000.
4. Establish and continuously update a homepage on commercial arbitration and mediation in Southeast Europe, in close cooperation with the Arbitration and Mediation Institutions of the SECI Participating States.

5. Keep close contact with the SECI Business Support Offices in particular and the SECI Business Support Framework in general, which are the outreach to the business community at large, i.e. to the actual the clients of the Project.

C. The experts also agreed that the SECI Commercial Arbitration and Mediation Promotion and Training Center will be located in the premises of the University of Ljubljana. All matters concerning financing were delegated to task team number one for further specification.

The SECI Commercial Arbitration and Mediation Promotion and Training Center will function as an independent legal entity.

D. It was further settled that until 15th of March 2001, the Rapporteurs of the Task Teams will provide the SECI Office in Vienna with an elaborated draft for the activity of the Task Team, bearing in mind the Terms of Reference for the Task Teams of the SECI Expert Group on Commercial Arbitration and Mediation.

E. Summarizing, I can tell that there is progress in the following fields. **UNTIL THE 15TH of March** the SECI coordinator in Vienna nemely received from

1. Task Team 1 a short activity notice that the discourse with the representatives of the Ljubljana Law Faculty is progressing and that the act, establishing an institute is drafted and will be finalized until April 2nd. (deloval bo kot zasebni zavod, ne poznam termina)

2. Task Team 3 and 5 had sent a letter to Mr. Sekolec and are waiting for his counterproposal, which of course has to be discussed. It combines training, recognition and enforcement of arbitral awards.

3. Task Team 4 has sent a very detailed proposal concerning the activities of Task Team 4 prepared by Mr. Chernev. For the time being it is still a matter for internal discussion within this task team.

4. Concerning Task Team 2, Mr. Uzelac will be contacted as soon as the deadline (15.03.2001) expires.

In Ljubljana, 19th of March, 2001

Prepared by

Samo Ivanchich & Miro Senica

TRANSPORT AND TRADE FACILITATION TRAINING PROGRAM ECA / WORLD BANK TTFSE PROJECT

The following executive summary by the American College of Thessaloniki (ACT) describes the contributors and their roles in implementing a \$2,200,000 three-year ECA trade facilitation training program in Albania, Bosnia and Herzegovina, Bulgaria, Croatia, FYR Macedonia and Romania. The program is part of the World Bank's Transport and Trade Facilitation Program in Southeast Europe Project.

The overall philosophy of the project is structured on the understanding that all deliverables and action benefit the TTFSE countries. There will be no use of funds for non-ECA objectives, and a particular emphasis will be given in executing the majority of actions within the TTFSE environment. Only when there is an overarching merit will actions take place in Greece and Turkey (Training of Pro- Managers - Training of Trainers for Conventional Seminars) and even in these cases the deliverable will be directly benefiting the TTFSE countries.

The components of the program include: capacity-building training for Pro Committees at the American College of Thessaloniki; development of trade facilitation curriculum and teaching methodology by Koc University; training of trainers in trade facilitation by Koc University; a Website for project participants to be designed and operated by the American University in Bulgaria; development of distance learning curriculum by the American University in Bulgaria; and an exchange program between trade and transport professionals from the U.S. and Southeastern Europe.

The Project's Method

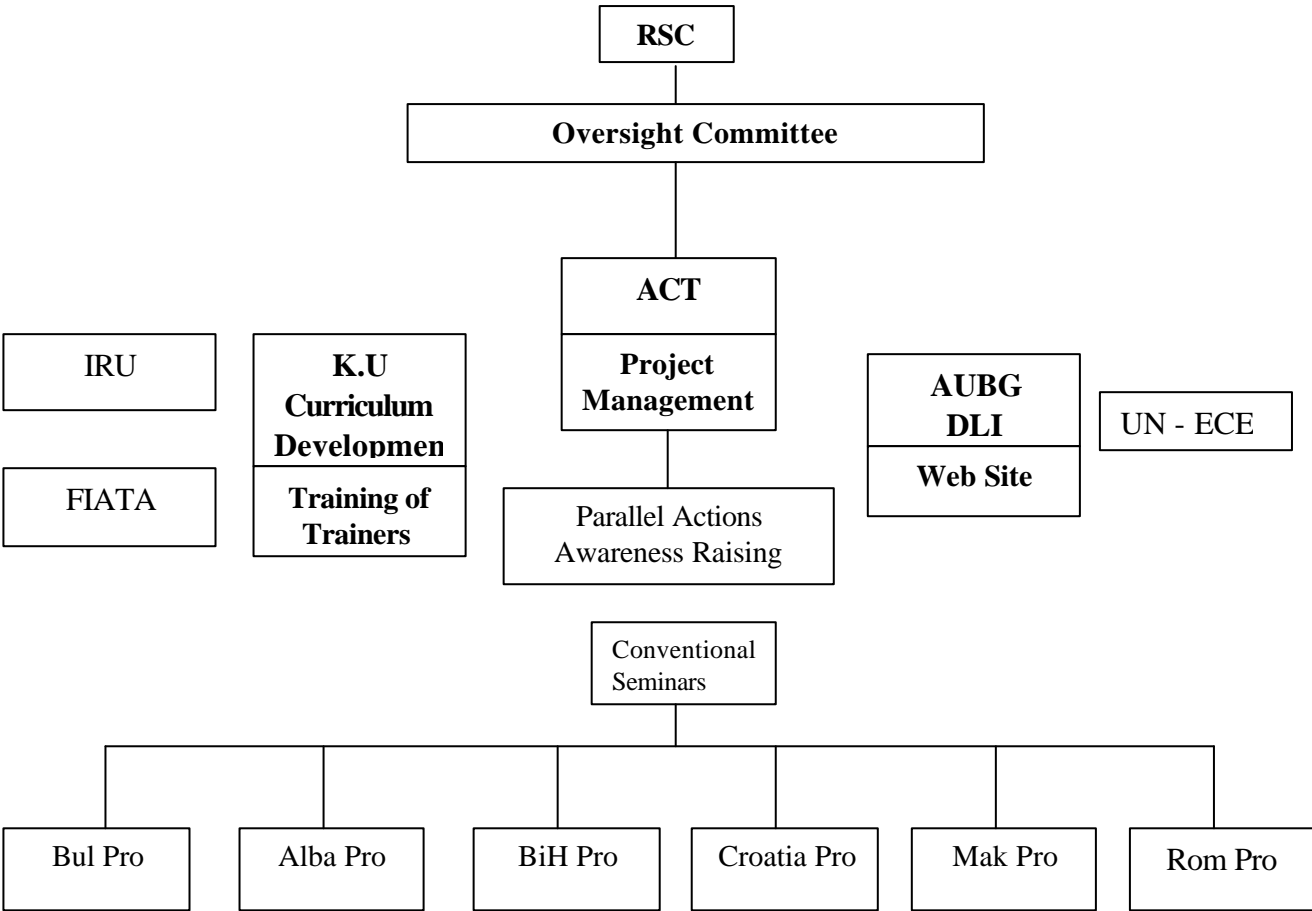
The project's purpose is to identify and minimize procedures and practices common throughout Southeast Europe that slow the movement of commercial trucks through border crossings along the main highways within the region and that lead to the EU. To accomplish this goal, the parties implementing the trade facilitation project will undertake the following actions:

Through a multi-national consortium of Greek, Turkish and Bulgarian colleges and universities, PRO Committees, and international professional associations (the "Partners"), the Partners will develop and provide instruction in a standardized trade facilitation curriculum for use throughout the Balkans. This instruction, initially given in classrooms and, in time, also available via distance learning tools, will follow a methodology that is suitable for the culturally and linguistically diverse audiences in the six countries. The educational program's common feature in all of these countries is found in the fact that the employees of the private enterprises, government agencies and trade associations focused on transporting goods across international boundaries in the Balkans share a common experience and have common needs.

Since 1998, each TTFSE country has approached its effort to simplify and harmonize its trade and transport procedures and practices with those of its neighbours and the EU through a regional network of "border crossing procedures committees" (referred to as "PRO Committees"). The Pro Committees, which are non-governmental (often organized under the auspices of the national Chamber of Commerce), yet which include as active members representatives of key ministries, undertake inter-agency reviews of their respective domestic trade, transport, taxation and customs procedures, both legislative and practical. The Chambers of Commerce and "PRO Committees" will be integral members of the Partnership, and will foster the role of the private sector in facilitating cross-border trade by eliminating procedural obstacles to the efficient transport of goods across national boundaries in the Balkans. Additionally, the project will establish teaming arrangements with lead professional associations, such as the Geneva-based IRU (international trucking association) and the Zurich-based FIATA (international association of freight forwarders), to assist in training truckers, freight forwarders and customs brokers in a core curriculum that is consistent with the emerging EU certifications of professional competency for truckers.

ACT will provide project management, as well as administrative, and financial oversight for all aspects of the project, including the activities and expenditures of every sub-grantee organization .

PROJECT STRUCTURE



Report from Mr. Trajce Cerepnalkovski

SECI PROJECT GROUP ON DEVELOPMENT OF INTERCONNECTION OF ELECTRIC POWER SYSTEMS OF SECI COUNTRIES FOR BETTER INTEGRATION TO EUROPEAN SYSTEM

ORGANIZATIONAL MEETING ON REGIONAL TRANSMISSION PLANNING PROJECT Skopje, 06-07 March 2001

Introduction

The SECI Project Group on Development of Interconnections of Electric Power Systems of SECI Countries for Better Integration to European System has developed and adopted several project proposals over the past two years to promote the development of the electricity grids in the region and their interconnection with UCTE. Based on that and with sponsorship from US Agency for International Development (US AID) the Regional Transmission Planning Project was started. In this regard, the Organizational Meeting was held on March 6th and 7th in Skopje. The purposes of the meeting were to agree on a “project memorandum of understanding” concerning the goals, scope, organization and funding of the project and to define a work plan

Attendance

The Meeting was attended by the representatives of the SECI countries, namely, Albania, Bosnia and Herzegovina, Bulgaria, Croatia, Republic of Macedonia, Romania, Turkey, Slovenia and Yugoslavia. The ECE/UN, SECI, US AID and CMS Energy from USA were also represented.

Greece and Hungary excused themselves and expressed that they are willing to participate in the next activities on the Project.

The Meeting

Mr. Nikola Cerepnalkovski, Chairman of the Project Group, Ministry of Economy of the Republic of Macedonia, opened the Meeting and welcomed the participants. He underlined the importance of this meeting, especially in the light of the Stability Pact activities.

Dr. Goran Rafajlovski, General Manager of the Electric Power Company of Macedonia (ESM), pointed out the important role of the activities of the SECI Project Group, particularly on this project, for further improvement of the regional cooperation.

Mr. Slav Slavov, representative of UN/ECE, recalled the activities of the Project Group by referring to identification of subprojects and adoption of the relevant terms of references (TORs), with a special emphasis to the background of the project on Teleinformation System.

Dr. Robert F. Ichord, USAID, expressed “a good feeling for the development of the regional SECI Teleinformation Project and the great role of the Government of RM and ESM in the coordination of that Project. He stressed that the new US administration is supportive of these regional initiatives. Later, he introduced CMS as an USAID contractor to provide expert support to this Project. In his presentation (attached to this report) Mr. Ichord explained USAID objectives, main strategic issues, regional mechanisms and addressed the global scope, impact on regional development and market restructuring and wider environment of this particular project,. Finally he expressed his hopes that soon the legal problems for financial support of Yugoslavia (Serbia) will be solved.

Presentation of the draft “Project Memorandum of Understanding” and “Work Plan”

Mr. Patrick Miller, CMS Project Manager, Mr. David Duncan and Mr. Mike Guerin from CMS presented the Draft Project Memorandum of Understanding and the Draft Work Plan in more details (presentation is attached). They also explained the “License Agreement” document necessary for software purchasing.

Status of “Transmission System Development” in SECI countries

The representatives of the participating SECI countries presented the status of their Transmission Systems and possible developments. Presentations of the participants are attached to this report.

Finalization and adoption of the Draft Project Memorandum

The Draft Project Memorandum was discussed and revised in accordance with the comments of the meeting participants.

The resulting Memorandum of Understanding for SECI Electricity Project on Regional Transmission Planning was adopted and signed by all SECI parties present.

Adoption of the Work Plan

In accordance with the discussions and comments of the participants the draft Work Plan was revised and adopted.

Determination of the next steps

The meeting agreed:

- To follow up on the activities of the Project in accordance to the Schedule presented as Annex in the Work Plan (Exhibit #2);
- Limited Use License Agreement for PSS/E software will be signed by the participating utilities and sent to Mr. Trajce Cerepnalkovski as soon as possible, but no later than 20 March 2001;
- The PSS/E Software Training will be organized at the St. Naum Hotel in Ohrid, Macedonia;
- As interest for PSS/E training was expressed, CMS will investigate possibility for expanding the number of students participating on a training session by no later than March 12;
- Mr. Trajce Cerepnalkovski will send an Invitational Letter for training early next week;
- The names of the members of the Steering Committee, Technical Coordinating Group and Working Groups, should be provided to Trajce Cerepnalkovski as soon as possible;

Other business

Few issues were opened and discussed during the meeting:

- USAID expressed the possibility to prolong the support on this Project in accordance with the developments in the work and the scope defined for future common work;
- Interest for training in Feasibility, Economical and Financial preparation, development and evaluation of the Transmission Project;
- Impact on restructuring and market reforms of the sector in the region;
- Possibility for promoting the results of the work of this SECI Group;
- Possibilities for better cooperation with other initiatives and donors and Stability Pact Program;
- It was suggested that Mr. Trajce Cerepnalkovski participates on the next SECI Agenda Committee Meeting on March 23, 2001 in Belgrade to present the status of the Projects under this Project Group;

Provisional Date of the Next Meeting

It was preliminary agreed that the next meeting of the Steering Committee will be held in June 2001 (date and place to be determined).

The participants expressed gratitude to the organizer, Government of the Republic of Macedonia and ESM for the excellent organization of the Meeting and the hospitality offered.

RESOLUTION
PROPOSED BY THE CO-CHAIRMEN OF THE BUSINESS ADVISORY COUNCIL TO SECI

The Business Advisory Council of SECI (BAC/SECI) meeting in Bled on October 21st, 1999, and on the joint motion of its two co-Chairmen, Mr. Costa Carras and Mr. Rahmi Koc, adopted the following Resolution:

1. BAC/SECI at its last meeting in Vienna warmly welcomed the Stability Pact initiative and made some proposals for improvements in its text. It did this with a view to ensuring the utilization of the valuable experiences of the region already accrued by BAC/SECI and increasing the effectiveness of a process which will inevitably be administratively complex but needs to be capable of producing early results in view of the immense needs of the region.
2. BAC/SECI believes it is inconceivable that one can constructively surmount the existing barriers to investment and trade in the region without the close cooperation of businessmen from all sizes of enterprises, large, medium and small. BAC/SECI also believes it is essential to have, above all, the cooperation and commitment of enterprises originating from within the region or those countries adjacent to it which are already among the most active traders and investors within it.

Within this overall outlook, the particular contributions the larger multinationals can make are both acknowledged and welcomed.

3. In the interests of the region, BAC/SECI would prefer that business of all types and origins took part in the same BAC, but respects the wishes of countries participating in the Stability Pact to work through a BAC of a different range and size. It expresses the hope that there will be the maximum possible collaboration between the two BACs and invites the proposed Stability Pact BAC to hold its first meeting immediately after the next SECI/BAC in Budapest on December 14th. This would give the opportunity for members of the new BAC to meet and exchange views with members of SECI/BAC and obtain some benefit from their experience.
4. Building on its success in the last three years, including but not limited to:
 - The setting up of PRO committees in most countries of the region,
 - The active support given to the negotiation and signature of the Athens Memorandum of Understanding of the Regional Ministers of Transport, signed on 24th April 1999, concerning border-crossing and trade facilities,
 - The provision of valuable information from Greek, Italian and Turkish business on the climate for trade and investment in the individual countries in the region, including both incentives and disincentives faced by investors in the region,

BAC/SECI proposes to implement initiatives already discussed at its meeting, including the setting up of country committees and the involvement of a wider range of regionally involved companies in its activities. SECI/BAC reiterates its earlier decision in favor of the creation of SECI Business Promotion Offices in Istanbul, Thessaloniki and Trieste, welcomes the fact that the office in Trieste is already operational and the other two already financed, and trusts these will prove of assistance to the Stability Pact process also.

Memorandum of Understanding on the development of the Pan-European Transport Corridor X

Desiring to promote international transport of goods and passengers through making progress in the implementation of the Declarations of the Second Pan-European Transport Conference in Crete in 1994 and the priority transport Corridors supported by the conference and those adopted during the Third Pan-European Transport Conference in Helsinki in 1997 (including the report on adjustments to the Crete Corridors) as a basis for further work, (1) considering that the development of Corridor X will promote the relations between the participants, (2) considering the great importance of co-operation in the development of the multimodal Pan-European Transport Corridor X with regard to the development of the road and especially the railway links for the benefit of the Pan-European Transport infrastructure, (3) desiring to have adequate interconnections with the Trans-European Transport Network of the European Union, (4) taking also into consideration the developments emerging from the Transport Infrastructure Needs Assessment (TINA) in the candidate countries for accession to the European Union, and the development in the countries through which the Corridor passes, (5) conscious of the fact that the infrastructure development is a long term process, (6) welcoming action already undertaken on the Corridor by the Participants concerned as well as international institutions (UN/ECE, EC, ECMT) and projects stemmed from their frames (e.g. UN/ECE TEM, TER), (7) the signatories of the present Memorandum of Understanding, following named "Participants".

AGREE ON THE FOLLOWING MEMORANDUM OF UNDERSTANDING AS A FURTHER STEP TOWARDS A COMMON OBJECTIVE:

1. Aim

The aim of this Memorandum of Understanding is to co-operate in the development of main and ancillary infrastructures on the multimodal Pan-European Transport Corridor X. The development of the Corridor should include maintenance, reconstruction, rehabilitation, upgrading and new construction of main and ancillary infrastructures as well as its operation and use with a view to fostering the most efficient and environmentally friendly transport modes (infrastructure and services). The co-operation furthermore aims at perceiving and defining prerequisites and conditions for the most efficient use of funds and know-how provided by public and private sources.

2. Definition of the Corridor

The multimodal Pan-European Transport Corridor X Salzburg-Ljubljana-Zagreb-Beograd-Nis-Skopje-Veles-Thessaloniki including its branches A: Graz-Maribor-Zagreb and B: Budapest-Novi Sad-Beograd and C: Nis-Sofia (Dimitrovgrad-Istanbul via Corridor IV) and D: Veles-Bitola-Florina-via Egnatia to Igoumenitsa refers to the road, rail and interconnection points for inland waterways, air, maritime, intermodal and in particular combined transport infrastructures, including ancillary installations such as signalling, the installations necessary for traffic management, access links, border crossing stations, service stations, freight and passenger terminals, warehouses on the route of the Corridor as defined above.

3. General rules on studies

The Participants wish to co-operate in undertaking studies necessary for the realisation of this Memorandum of Understanding. The terms of reference for studies should be co-ordinated between the Participants as far as criteria, methodology and other aspects covered by this Memorandum of Understanding are concerned. As a first task a complete inventory of existing studies concerning the Corridor should be compiled and the conclusions of these studies should be made available to all Participants concerned, upon request. Subsequent studies will cover as necessary:

- state of the infrastructure on the Corridor
- needs assessment
- an overall concept for a co-ordinated development of the Corridor
- the conditions necessary for international financial institutions and the private sector participation in the development and operation of the Corridor

- questions such as prioritisation, feasibility or technical design of specific maintenance, reconstruction, rehabilitation, upgrading and investment measures, as well as use or operation of the infrastructure and related environmental aspects
- organisational, legal, economic and social questions.

The studies should be carried out according to best practice, taking due account of the requirements of the private sector and the international financial institutions, which should be involved during the different stages of planning, implementation, operation and use of the infrastructure. The Participants are prepared to co-operate in the question of financing of the necessary studies as appropriate. Tenders for studies should be launched according to rules agreed between all parties involved. Participants declare their readiness to take all necessary steps to ensure that the studies can be carried out efficiently, such as providing all assistance and information necessary for carrying out the studies.

4. Exchange of information

The Participants are ready to make available to each other information relevant to the development, use and operation of the Corridor. This would include detailed data on the state of the infrastructure on the Corridor, the traffic flows, waiting times at the borders, specific maintenance, reconstruction, rehabilitation, upgrading, investment, environmental and organisational measures planned or undertaken, and the financial resources allocated or to be allocated to the development of the Corridor from public or private sources. It would also cover the legal framework for private participation in the development, use and operation of the Corridor as well as relevant economic and social data if they are not subject of concession contracts. Within the limits of relevant law and if unanimously agreed by the Steering Committee, results of studies should be compiled and their conclusions should be made accessible on request to institutions concerned, demonstrating substantial interest in contributing to the development of the Corridor.

5. Technical standards and interoperability

The Participants are prepared to agree upon a common set of technical standards necessary to secure optimal interoperability of all sections of the Corridor, including the interoperability between various transport modes. Such technical standards would cover electrification, gauge and communications for the rail part of the Corridor; axle load capacity and signalling systems for the road and rail part of the Corridor; safety and environmental aspects and traffic management. Standards set by the European Community Directives, the UN-ECE Agreements on transport infrastructure or CEN, CENELEC and ETSI European Standards for the various transport modes will be adhered to as appropriate in order to secure interoperability.

6. Border crossing and customs co-operation

Since excessive waiting times at border crossings may impede any improvements resulting from the development of the Corridor, the Participants wish to stimulate and promote, through a co-ordination of actions with the competent authorities, the installation of joint border crossing posts and joint controls as well as co-operation of customs services in order to minimise waiting times and to improve long-distance transport conditions for rail and road. Participants may stimulate and promote necessary joint studies of the infrastructural and organisational measures: e.g. standardisation of control procedures and the possibilities for minimisation of waiting times at borders should be studied and proposals for improvement should be made. Standards set by International Agreements or the European Community should be adhered to.

7. Framework for private participation

The Participants intend to provide for an optimum of private sector involvement in the development, operation and use of the Corridor. For this purpose, a dialogue with the private sector and the international financial institutions should take place during the planning and realisation of studies. In all phases of co-operation under this Memorandum of Understanding the private sector should be informed of actions planned or undertaken and its comments should be taken into account as far as possible. The Participants jointly aim to ensure the development of the legal and financial conditions necessary for private sector participation in the development and operation of the Corridor. Participants might set up common bodies to carry out actions necessary to develop the Corridor. Taking into account the national law they wish to investigate possibilities of entrusting the implementation of the goals of this Memorandum of Understanding totally or partially to private

enterprises.

8. Steering Committee

A Steering Committee to be composed of representatives of the Participants will co-ordinate the joint work under this Memorandum of Understanding. Each Participant should appoint one representative and one deputy-representative to the Steering Committee by notification to all other Participants. The Steering Committee will meet as necessary, but at least once a year. It should decide on its rules of procedure by unanimity. Representatives from the private sector or the international financial and other institutions as well as experts could be invited to the meetings as appropriate. The Steering Committee might consider to create Working Groups for specific tasks or adequate promotion of the goals of this Memorandum of Understanding. The Steering Committee will regularly report about its work to the G-24 Transport Group.

9. Implementation

The information exchanged and studies carried out by the Participants will be the basis for defining priorities, budgets and time-plans for specific measures necessary for the co-ordinated development of the Corridor as well as rules on the use and operation of the Corridor. The Participants are prepared to agree on such issues as appropriate.

10. Closing remarks

The co-operation in the framework of this Memorandum of Understanding is based on a voluntary commitment and will continue until the objectives of the initiative have been achieved. When any of the Participants so requests, this Memorandum of Understanding shall be reviewed after five years. This Memorandum of Understanding does not contain obligations governed by international law.

Done at Thessaloniki on 15th March 2001

(Signatories of the MoU in the English alphabetical order of their surnames)

The Minister of Transport and Communications Mr Ljupco BALKOSKI
The Minister of Transport and Water Management Mr János FÓNAGY
The Federal Minister for Science, and Transport Mrs. Monica FORSTINGER
The Minister of Transport Mr Jakob PRESECNIK
The Federal Minister for Transport Mr. Zoran ŠAMI
The Minister of Transport and Communications Mr. Antoni SLAVINSKI
The Minister of Maritime Affairs, Transport and Communications Mr. Alojz TUSEK
The Minister of Transport and Communications Mr. Christos VERELIS
The Vice-President of the European Commission Mrs. Loyola DE PALACIO