



**Organization for Security and Co-operation in Europe  
Secretariat**

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ENGLISH only

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**Conference Services**

Please find attached the power point presentation by Mr. Bernard Snoy, Co-ordinator of OSCE Economic and Environmental Activities, delivered to Session IV (*OSCE transport activities and their contribution to confidence building and the solution of unresolved conflicts: needs assessments and other OSCE supported activities in conflict and post conflict situations, i.e. South Caucasus, Moldova/Transdniestrian region, etc.*), of the 14<sup>th</sup> OSCE Economic Forum, Part 2, Prague, 22-24 May 2006.

**14<sup>th</sup> OSCE Economic Forum  
Plenary Session IV**

***OSCE transport activities and  
their contribution to confidence-  
building and the solution of  
unresolved conflicts***

Bernard Snoy  
OSCE Coordinator of Economic  
and Environmental Activities

**Transport and Conflict resolution**

- Resolution of conflicts can lead to a further development of trade and transport in the region

...Inversely...

- > Can one develop the transport sector in a way that is conducive to conflict resolution?

**Effect of conflicts on transport**

- Increases cost of imports and exports to the point of making some economic activities unviable / Reduces competitiveness
- Leads to loss of income associated with transit activities
- Prevents recognized states in the region from controlling their own borders and raising custom duties

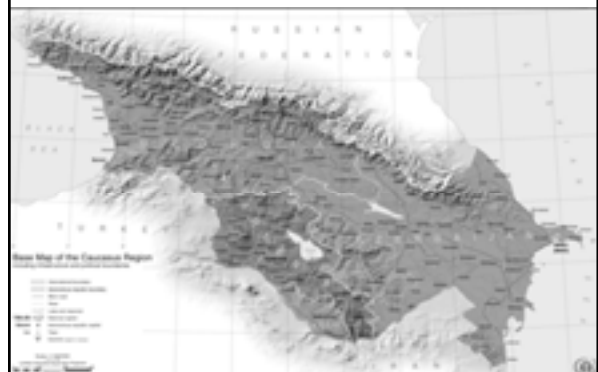
**Effect of conflicts on transport**

- Serious implication for North-South and East-West transport and trade routes
- Higher transport costs for goods that were transiting through the region

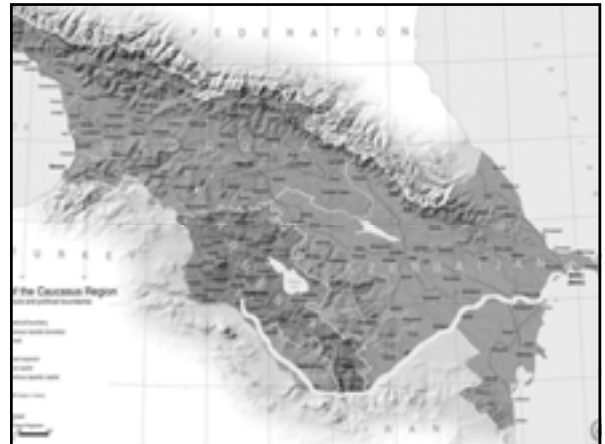
**Examples (source: World Bank)**

- **first 700 km** of the 2200 km between Yerevan and Moscow account for **80% of the total cost** of moving a consignment;
- moving a container from Bandar Abbas (Iran) to Baku takes 10-12 days by road and costs **\$700-800**, while
- moving the same container from Baku to Poti (Georgia) takes only 3-5 days by road **but costs \$2200**;
- movement of refrigerated food from Riga to Uzbekistan is **\$100 per ton cheaper** than an equivalent movement from Poti to Uzbekistan

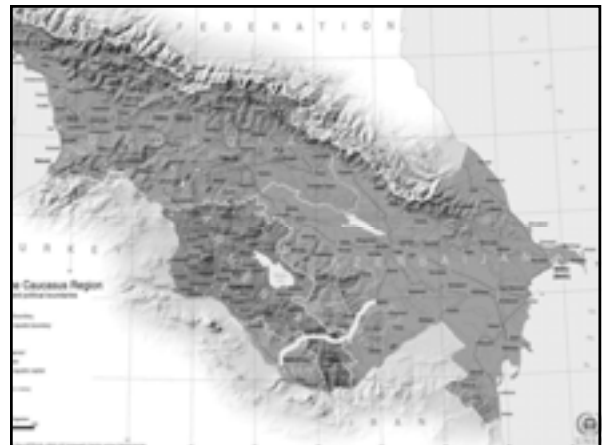
**South Caucasus**



***Baku-Yerevan railway and road  
along the Arax river, passing  
through the South Eastern part  
of Armenia and Nakhchivan***

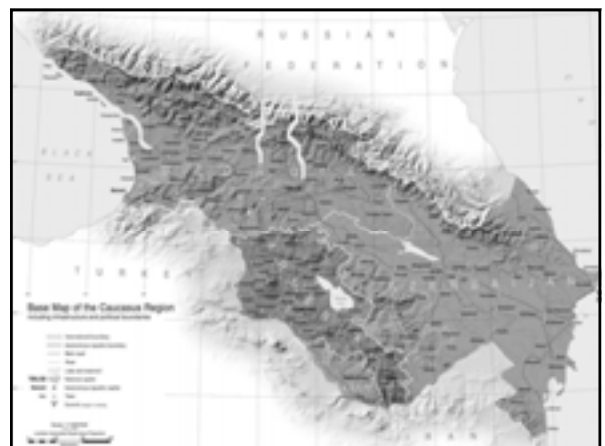


***Road from Agdam to  
Nakhchivan, through Nagorno-  
Karabakh, the Lachin corridor  
and Goris***



**Trans-Caucasian corridors**

- ***Georgia-Russia railway and road via Abkhazia***
- ***Roki tunnel***
- ***Georgian Military Highway***



**Moldova:**  
**Gura-Bicului Bridge**



**What complementary role could the OSCE play?**

- **Monitoring developments:** OCEEA, field presences, together with organisations such as the World Bank, the EBRD, EURASEC, BSEC, TRACECA, etc.
- **Needs assessment** in the area of transports (if not covered by UN-ECE e.g.):
  - such an assessment was conducted for South Ossetia
  - similar ones could be undertaken in other areas
- **Identification of independent experts**, to make analysis of the economic opportunity cost and formulate suggestions
- **Co-operate** with other international organisations on **other issues**, e.g. :
  - improving **security and governance** and
  - enhancing **capacities in the Ministries of Transport**

..until a window of opportunity opens...