



TRACECA Investment Forum
Brussels, 28th February 2012

ID: GEO4

TRACECA PROJECT FICHE

MOTORWAYS OF THE SEA FOR THE BLACK SEA AND THE CASPIAN SEA – PILOT PROJECT POTI–BAKU CONTAINER BLOCK TRAIN

1. BASIC INFORMATION

TITLE: Motorways of the Sea for the Black Sea and the Caspian Sea - Pilot Project POTI–BAKU Container Block Train.

SECTOR: Container Block Train.

LOCATION: Georgia, Azerbaijan (Poti-Baku).

2. OBJECTIVES

Objectives of the project focuses on operations and services. The project aims to solve or reduce the main barriers which might hamper the implementation of MoS-type solutions, organisation, procedures and marketing, with the objective to progress towards implementation of selected projects.

The project will facilitate transit throughout the TRACECA Corridor. Subsidiary objectives include the attraction of a greater flow of cargo worldwide and attraction of Container Shipping Lines to Central Asian market(s) with subsequent growth of containerisation, which, in turn, will help to increase the export flow out of the Region.

2.1 PROJECT PURPOSE

The objective of the project is to interconnect Black Sea and Caspian Sea with block train service.

2.2 CONTRIBUTION TO NATIONAL DEVELOPMENT PLAN

Georgia - Development of Poti as Deep Sea Container Port in the Black Sea (in line with RAK IA government-supported project). Improvement of railway services/modal shift from road to rail.

Azerbaijan - Improvement of railway services. Development of Baku International Sea Port (BISP) (also consistent with the planned construction of/role assigned to new BISP at Alyat as Caspian Regional Hub). Modal shift from road to rail.

Other countries - Possible mid/long-term improvement of conditions of transport to other Central Asian land-locked countries.

2.3 CROSS BORDER IMPACT

Measures to improve border crossing conditions at both ends of the maritime segment and to develop advanced solutions are among the expectations of operators and users, who are conscious that these measures will depend on national policies and high level decisions.



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3. DESCRIPTION

3.1 BACKGROUND AND JUSTIFICATION

The project is required in order to interconnect Black Sea and Caspian Sea with block train service, which includes the development of container ports. Improvement of the railway service, modal shift from road to rail and improvements to border crossing conditions are also necessary.

3.2 LINKED ACTIVITIES

The Feasibility Study of the MoS project is done by Egis Bceom International, in association with Copetrans, Italferr and Euro-Ukraina Consulting. The pilot project POTI-BAKU Container Block Train is the first phase of a large MoS project. Other linked pilot projects of the MoS project are VARNA-ILYICHEVSK-POTI and ILYICHEVSK-SAMSUN-POTI.

3.3 LESSONS LEARNT

Cargoflow in the TRACECA corridor is increasing so the MoS project will promote effective connections of ports to road and rail networks. The creation of logistical platforms will facilitate these connections, create efficient port services and minimise transit times, through which a boost to economic and social development is anticipated.

3.4 ACTIVITIES

Activity 1

N/A

Activity 2

N/A

Activity 3

N/A

3.5 RESULTS/DELIVERABLES

The anticipated results of this project include: a reduction of dwell and handling time at the railway station; a reduction of indirect transport costs (platform/truck demurrage); faster, safer and more secure cargo delivery.

It is anticipated that this will create a positive impact in terms of competitiveness and attractiveness for the TRACECA Central Corridor. Furthermore, the project will act as a logical and necessary complement to the main feature of the Block Container Train Poti-Baku pilot project.

4. PROJECT ORGANIZATION

4.1 INSTITUTIONAL FRAMEWORK

Project partners/Lead partner:



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Neighbouring countries:

- Georgia: GR (Georgia National Railway Company) and Port of Poti.
- Azerbaijan: MoT, ADY (Azerbaijan National Railway Company) and Port of Baku.

Supporting stakeholders (Institutional):

- Customs Houses of Georgia and Azerbaijan Expected.
- MoTs of Georgia and Azerbaijan Expected.
- Associations of Freight Forwarders in Azerbaijan and Georgia Expected.

4.2 OWNERSHIP/IMPLEMENTING PARTY

N/A

4.3 ORGANIZATION STRUCTURE

N/A

5. DETAILED BUDGET (EUR)

No.	Description	Investment	Financing	Co-Financing	Total
1	Stage 1 50 fitting platforms	4.250.000			
2	Stage 1 50 fitting platforms	4.250.000			
3					
4					
Total		8.500.000			

Note: following budget is estimated for Georgia.

6. RISK ASSUMPTIONS AND CONSTRAINTS

The challenge, and the major risk, is in a possible lack of sustained commitment from the public operators.

7. IMPLEMENTATION SCHEDULE

7.1

N/A

7.2

N/A

7.3

N/A

8. ENVIRONMENT



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- Promotes the MoS concept and fosters the development of transport intermodality in the wider Black Sea and Caspian Sea region.
- Improves the transport infrastructure of the region.
- Develops fast and easy border formalities.
- Drafts a Road Map for the future development of the MoS in the Black Sea and Caspian Sea region.

9. RATES OF RETURN¹

9.1 FINANCIAL RATE OF RETURN (30 YEARS): % N/A

9.2 ECONOMIC RATE OF RETURN (30 YEARS): % N/A

9.3 HAVE THE FEASIBILITY STUDIES BEEN COMPLETED AND WHEN:

The Feasibility Study was completed in 2011.

9.4 ECONOMIC ASSESSMENT:

10. INVESTMENT CRITERIA

10.1 SOURCES OF FINANCING: N/A

10.2 CO-FINANCING: N/A

10.3 ADDITIONALITY: N/A

10.4 PROJECT READINESS AND SIZE: N/A

10.5 SUSTAINABILITY:

To ensure the sustainability of the pilot-project all these conditions must remain valid over fixed periods of time and be changed only with due and sufficient notice to all users:

- When aggregated, tariffs must be trimmed at levels comparable with those of competing alternatives;
- Integrated transport offers should be aimed at and progressively implemented in order for customers to facilitate comparisons with all land transports allowing them to make easy/quick decisions;
- Transit times must be reduced to the lowest/most adapted levels, and end delivery time must be as precise as possible;
- Export, import and transit customs procedures and all other administrative formalities must be easy to understand and consume as little time as possible. Complexity must be reduced when and wherever applicable.

11. CONDITIONALITY AND SEQUENCING

N/A

¹ Not available in Feasibility Study.



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e.g.

TENTATIVE WORKS PROGRAMME

MONTH	1	2	3	4	5	6	7	8	9	10	11	12
ACTIVITY												
TENDER	█											
MOBILISATION		█										
GROUND WORKS		█	█									
		█	█	█	█							
			█	█	█	█	█	█				
				█	█	█	█	█				
								█	█	█		
									█	█	█	
												█
HANDOVER												█