



ENPI 2011 / 264 459

## Logistics Processes and Motorways of the Sea II

in Armenia, Azerbaijan, Georgia, Kazakhstan, Kyrgyzstan, Moldova,  
Tajikistan, Turkmenistan, Ukraine, Uzbekistan

*Final Report*

*September 2014*



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## REPORT COVER PAGE

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## LIST OF ABBREVIATIONS

ADB	Asian Development Bank
CBA	Cost – Benefit Analysis
EaP	The Eastern Partnership (EaP) is a European Union initiative directed at six countries of Eastern Europe and the South Caucasus: Armenia, Azerbaijan, Belarus, Georgia, Moldova and Ukraine
EBRD	European Bank for Reconstruction and Development
EC	European Commission
ENPI	European Neighbourhood Partnership Instrument
EU	European Union
Eastern Partnership IBM Flagship Initiative (EaP-IBM-Flagship Initiative)	A Flagship Initiative of the EU aimed at Cooperation on border management in the EaP countries is focused on improving security, reducing smuggling, human trafficking, facilitating mobility of people across non-EU borders and facilitating trade. It is also meant to help partners approximate border management rules and adopt best practices in line with EU border management standards.
IFI	International Financing Institution
IDEA I	EU-funded project Transport dialogue and interoperability between the EU and its neighbouring countries and Central Asian countries I (2009-2012)
IDEA II	EU-funded project Transport dialogue and interoperability between the EU and its neighbouring countries and Central Asian countries II (2013-2016)
IGC	Intergovernmental Commission TRACECA
ILC	International Logistics Centre
IPA	Instrument for Pre-Accession Assistance
LPI	Logistics Performance Index
LC	Logistic Centre
Logframe	Logical Framework
LOGMOS Contract	EU-funded TRACECA Regional Project Logistics Processes and Motorways of the Sea II / ENPI Contract No. 2011 / 264 459
LOGMOS Pilot Project	A pilot initiative selected for analysis or implementation under the LOGMOS Contract
LOGMOS Technical Assistance Project	EU-funded TRACECA regional Project Logistics Processes and Motorways of the Sea II / ENPI Contract No. 2011 / 264 459
MCA	Multicriteria Analysis
MoS	Motorways of the Sea
NIS	Newly Independent States
Oblast	A type of geographical administrative division in the countries of the FSU



**Logistics Processes and Motorways of the Sea II**

PPP	Public-Private Partnership
PS	Permanent Secretariat
ROM	Results Oriented Monitoring of implementation of projects and programmes financed by the European Union within the framework of its external assistance
Ro-Ro	Roll-on / Roll-off vessel
TEN-T	Trans-European Networks - Transport
ToR	Terms of Reference
TRACECA	Transport Corridor Europe - Caucasus - Asia
TRACECA PS	TRACECA Permanent Secretariat
UND	Uluslarasi Nakliyeciler Derneği – A Road Trucker Association of Turkey
UN ECE	United Nations Economic Commission for Europe
UTIKAD	(TR: Uluslararası Tasimacilik ve Lojistik Hizmet Uretenleri Dernegi) Association of International Forwarding and Logistics Service Providers in Turkey
WB	World Bank



## 1 EXECUTIVE SUMMARY

The present report documents the activities of the EU-funded LOGMOS Technical Assistance Project from 27 April 2014 to 26 September 2014. The document contains together with the **Executive Summary (1)** the following sections:

**(2) Project Synopsis** – outlining the summary information on this EU-funded Project, including objectives, measurable Project outputs, activities and target groups.

**(3) Overall Report on Project Implementation Since Start** – providing a summary of Project implementation, its design and compliance with the EU-policies in transport and extension of the TEN-T. This section points out the methods used by the Project Team for each specific component delivery, including approach to capacity building, promotion of stakeholder partnerships in countries and interactive event organisation. The summary of the Project events organised by the Team and undertaken missions to beneficiary countries is recapped for the whole duration of the Project, too.

**(4) Progress Report in the Final Reporting Period** – This chapter describes activities of the Project Team on each of the technical component of the last five months of the project implementation, i.e. from end of April 2014 till end of September 2014.

**(5) Outputs and Results** – This section provides a summary of delivered project outputs and achieved results. The main deliverable of the LOGMOS Project is the Master Plan on logistics and motorways of the sea for the TRACECA region. The Master Plan has been finalised for presentation at a Final Project Regional Event, and endorsed on the technical level in April 2014. The section analyses results delivery in accordance with technical project components, presents a short history of an output delivery and the reason for deviation if applicable.

**(6) Impact Assessment, Lessons Learned and Recommendations** – The chapter was prepared following the recommendations of the ROM Team; outlines the view of the LOGMOS Project Team on the impact of the present technical assistance contract; points out major lessons learned during implementation of the Project; and makes recommendations for future programming / project implementation.

This administrative report is accompanied by four supporting annexes including:

Annex 1 – Logframe;

Annex 2 – List of Meetings in May - September 2014;

Annex 3 – National Action Plans for the Master Plan Implementation in ENPI and Selected Central Asian Countries;

Annex 4 – Presentation of the EU-funded LOGMOS Project (detailed version) on 18 September 2014.

As an additional material the agenda of the future multimodal logistics experts group accompanied by a pool of the proposed experts is enclosed to the present report.

The report stresses stakeholder ownership, coordinated regional dialogue and targeting pragmatic subjects as major factors for improved performance of TRACECA corridor.



## 2 PROJECT SYNOPSIS

### Project Name:

ENPI – TRACECA Regional Project – **Logistics Processes and Motorways of the Sea II**

ENPI contract No. 2011/264 459

### Beneficiary Countries:

**Direct** – the ENPI East partners (Armenia, Azerbaijan, Georgia, Moldova and Ukraine) and the Central Asia TRACECA countries (Kazakhstan, Kyrgyzstan, Uzbekistan, Tajikistan and Turkmenistan)

**Indirect** – Bulgaria, Romania, Turkey

### Wider Objectives:

This project has been conceived as the follow-up to three previous TRACECA EU-funded Projects, namely:

- Motorways of the Sea (MoS) in the Black Sea and the Caspian Sea
- International Logistic Centres for Western NIS and the Caucasus
- International Logistic Centres for the Central Asia Countries

The overall objective of the current project is to contribute to the long-term sustainable development of logistics infrastructure and multimodal transport along the TRACECA corridor.

The assignment will enhance the development and implementation of coherent strategies for establishment of intermodal integrated transport and logistics chains underpinned by MoS.

### Specific Project Objectives:

By assessing the network from a regional perspective the assignment will ensure that infrastructure and “soft” projects planned or implemented contribute to the continuity of TRACECA.

The focal points entail:

1. Removal of logistical bottlenecks, focusing on those which hamper the flow of goods between ports and the hinterland with the objective of enhancing trade at regional and international levels.
2. Facilitation of efficient flow of goods between Black Sea ports and between Caspian Sea ports, ensuring better interoperable connections from the ports to the hinterland through logistics platforms and improved maritime services.
3. Targeting regulatory frameworks and sector reforms for port, maritime and logistics operations as well as introduction of port environmental management systems.

### Results:

**Result 1:** Implementation of the Motorways of the Sea concept through existing and future pilot projects and their hinterland dimension.

**Result 2:** Development and promotion of the concept of regional networks of Logistics Centres and intermodal interfaces.

**Result 3:** Master Plan for the implementation of TRACECA LOGMOS concept.

**Result 4:** Technical Assistance National/Regional Regulatory Adjustment.

**Result 5:** Communication, Visibility and Information Plan.



**Activities:**

**1A: Maritime Dimension of MoS projects**

- Set-up of and technical assistance to national, bilateral and regional working groups and task forces on already selected pilot projects
- Training activities and study tours on border-crossing related issues
- Identification, approach and gathering of EU stakeholders and customers
- Communication and dissemination activities to strengthen awareness of the MoS concept through regional support
- Assessment and recommendations on feasibility of projects that were not previously selected and new pilot projects
- Technical assistance aimed at mobilisation of different sources of financing for the implementation of MoS projects
- Monitoring and reporting on the implementation of the MoS pilot projects

**1B: Hinterland Dimension of MoS projects**

- Set-up of working groups and task forces and technical assistance for improving efficiency (including simplification of border-crossing procedures) and attractiveness of commercial conditions
- Development and implementation of a restricted number of case studies on connections between ports and logistical zones

**2A: Concept of the Regional Networks of Logistics Centres**

- Set-up of bilateral and regional working groups for promoting logistics processes and network possibilities
- Identification of the core networks between ports and logistics hubs
- Development of recommendations and guidelines for the TRACECA network of logistics centres
- Organisation of study tours and training

**2B: Logistics Centres' Projects Implementation**

- Identification of interfaces to be adjusted to promote the network of logistics centres
- Identification and promotion of synergies between identified logistics centres
- Technical assistance related to establishment of network modalities
- Follow-up of feasibility studies and promotion of identified sites, raising awareness and enhancing interest
- Establishment of a dialogue and cooperation between the promoters and developers of the logistics centres

**3: LOGMOS Master Plan**

- Developing recommendations and guidelines for LOGMOS
- Two/three case studies to be selected and developed as pilot projects; and small working groups to be set up to address bottlenecks / define required technical assistance



- Support and capacity building for attracting funding

#### **4: Technical Assistance to Regulatory Adjustments**

- Case study related assessment of maritime and intermodal legislation and environment
- Organization of training, seminars and working groups to identify changes needed
- Development of a mechanism for monitoring regulatory adjustments

NB: For the activities of the extension period see the Logframe in Table 3.

#### **Target Group:**

Ministries of transport, port and maritime administrations, port and terminal managements, border crossing agencies, transport associations, railway entities, shipping companies, local associations and institutions, business community etc.

**Beneficiaries:** Ministries of Transport of TRACECA member-states, PS IGC TRACECA

**Project starting date:** 27 April 2011

**Project duration:** 36 months, extended on 26 April 2014 for additional five months till 26 September 2014

**Inputs:** Technical Assistance will include:

Long – Term Key Experts:

*Team Leader: 660 MD +40 MD (Addendum of 26.04.2014) = 700 MD*

*Key Expert 2: 660 MD + 25 MD (Addendum of 26.04.2014) = 685 MD*

*Key Expert 3: 660 MD + 32 MD (Addendum of 26.04.2014) = 692 MD*

Short – Term Experts:

*Senior Experts: 1,000 MD + 41 MD (AO 13, 27.06.2013) + 17 MD Addendum of 26.04.2014) = 1058 MD*

*Junior Experts: 1,500 MD*

**Project Main Office** (closed on 27.04.2014):

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### 3 OVERALL REPORT ON PROJECT IMPLEMENTATION SINCE START

This section provides an overview on the Project implementation progress since its start. It covers project design and methods utilised by the Project Team towards development of the specific components. Special attention is paid to capacity building and generation of stakeholder partnerships in interactive dialogue at national level. The Project events organised by the Team and missions undertaken to beneficiary countries are recapitulated. The details of activities in the final reporting period are presented in the subsequent section of this report.

**Project context and approach:** The EU-LOGMOS Project started on 27 April 2011 as a follow up to three previous TRACECA projects:

- [Motorways of the Sea \(MoS\) in the Black Sea and the Caspian Sea;](#)
- [International Logistic Centres for Western NIS and the Caucasus; and](#)
- [International Logistic Centres for the Central Asia Countries.](#)

The initial duration of the assignment was 36 months. The Project was extended at the end of April 2014 till 26 September 2014. The main purpose of the extension period was the preparation of the National Action Plans for the Master Plan implementation.

With a regional office in Kiev (Ukraine) kept till April 2014<sup>1</sup>, the Project operated in the following beneficiary countries:

- Direct beneficiaries – the ENPI East partners (Armenia, Azerbaijan, Georgia, Moldova and Ukraine) and the Central Asia TRACECA countries (Kazakhstan, Kyrgyzstan, Uzbekistan, Tajikistan and Turkmenistan); and
- Indirect – EU members Bulgaria, Romania, and IPA country – Turkey.

The approach to project implementation was defined with the European Commission in the inception phase. Coordinated actions, stakeholder dialogue and ownership of beneficiaries formed the implementation basis for the LOGMOS contract.

The three forerunner EU-funded technical assistance projects identified the MoS and logistics centres pilot-projects, which were approved by the beneficiaries. These pilot projects vary in scope, relevance to TRACECA corridor, degree of their maturity or promotional support in the beneficiary countries. The LOGMOS Team has defined Action Plans for each of the pilot initiatives as a framework for implementation. This has been prepared together with the beneficiaries and followed up with the project owners. The pilot projects were carried out under ownership of stakeholder working groups and task forces respectively involved in each initiative.

The fact that project beneficiary countries comprise a variety of political, economic, social, cultural and technological backgrounds was reflected in the Project Team approach. The Delegations of the European Union in countries were informed on the Project development and consulted in relation to national-level implementation measures.

The most important local stakeholder for LOGMOS Project was the PS IGC TRACECA and National Secretaries. The ToR perceived TRACECA structures as the Project's main agents and partners to promote the tasks and activities of TRACECA programme in general. All TRACECA institutional stakeholders were duly involved into the implementation of the Project.

Target groups comprise the main actors in intermodal integrated transport and logistics chains: ministries of transport (or other responsible institutions in TRACECA countries), port and

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<sup>1</sup> Since signature of the contract Addendum on 26 April 2014, the Project office has been closed.



maritime administrations, terminal managements, border crossing agencies, municipalities, custom authorities, transport associations, railway and shipping companies, local associations and professional transport institutions, etc.

With regard to financing TRACECA transport infrastructure, investors and IFIs were involved as important target groups, as were the business community in the region and interested parties in Europe. The project directly contacted these stakeholders and facilitated their cooperation with TRACECA-based peers.

National logistics capabilities and motorways of the sea concepts are directly linked to trade facilitation processes and the abilities of the respective countries. Therefore, a range of soft measures are being addressed by a number of international initiatives and by TRACECA countries on their own. Some international initiatives are synergic to the TRACECA countries' own efforts (for example those of EU, UNECE, programmes of the WB, EBRD or ADB). Others may attract logistics and transport service providers away from TRACECA routes (for example the Customs Union with Russia or North-South corridor development). However, such initiatives may improve the general performance of a country or of the region as a whole in trade facilitation measures.

The WB LPI is regularly measured every two years worldwide. This survey covered almost all the countries in TRACECA<sup>2</sup>. The LPI is based on a global survey of operators, providing feedback on the logistics "friendliness" of the countries involved in international supply chains. It measures performance in international and domestic domains on the scale from "zero" (low performers) to "four" (top performers). TRACECA "on average" is an ordinary performer. The average score in TRACECA countries slightly improved from 2.43 in 2007 to 2.72 in 2014 (Figure 1).

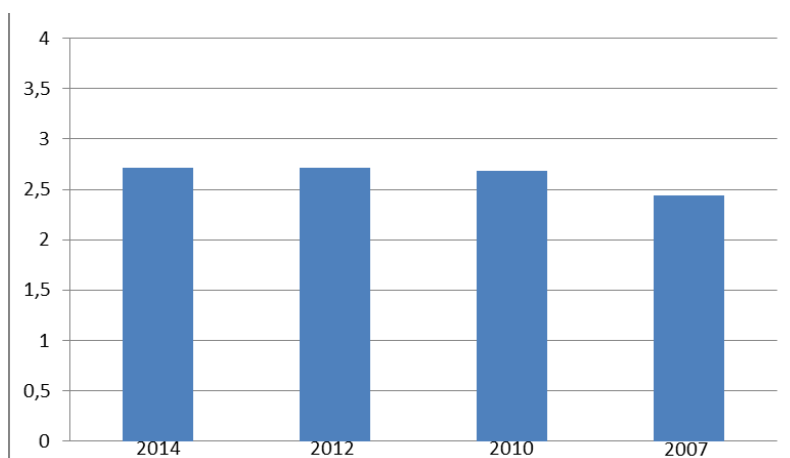
The average scores for individual TRACECA countries presented in the Figure 2 and the Table 1 below, however, demonstrate that only three countries – Turkey, Romania and Bulgaria – performed well above the average TRACECA score in 2007, and substantially improved their logistics performance in 2014. Armenia and Ukraine were average performers but continuously improved their logistics performance over time. Moldova, Kazakhstan, Uzbekistan, Azerbaijan and Tajikistan have improved their performance in comparison with 2007, but their improvement has not been consistent from year to year. For Georgia, Turkmenistan, and Kyrgyzstan the indicators in 2014 have decreased. In the case of Georgia, infrastructure deficits are the major contributor to this low performance. In addition, such factors as a relative slowdown in the pace of customs reform compared to logistics actors' expectations may be a reason of the declining scores. In addition, the degree of sophistication of the domestic logistics services is rather low. Georgia's performance is still significantly lower than that of Turkey, which is a regional leader in logistics performance. Figure 3: Components of the LPI scores 2007-2014 provides greater details on the dynamics of various components of the LPI in TRACECA countries.

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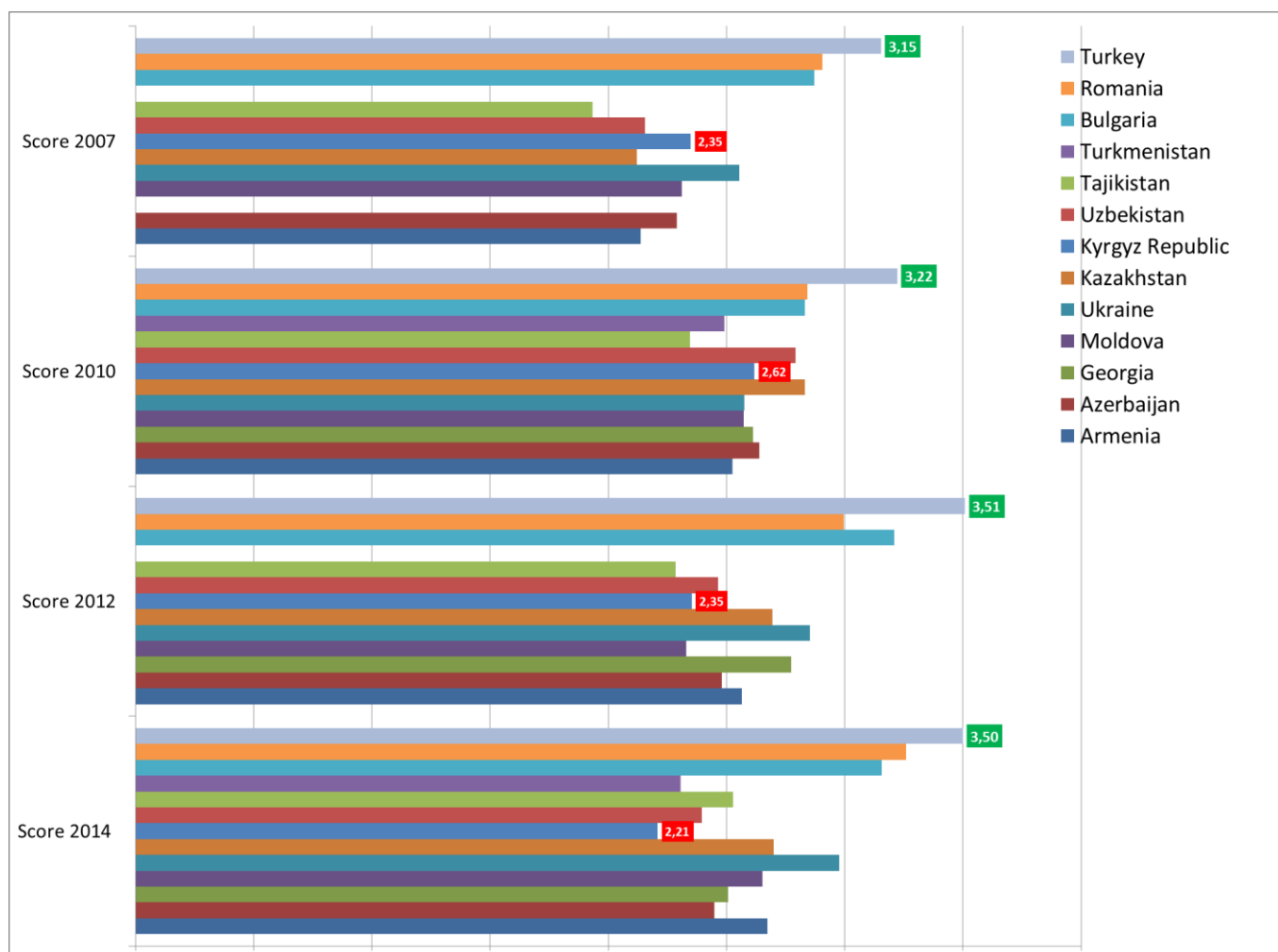
<sup>2</sup> Data for LPI measurements in 2007, 2010, 2012 and 2014 is available for all TRACECA countries except Georgia in 2007, and Turkmenistan in 2007 and 2012.



**Figure 1: Average LPI Scores for TRACECA Countries in 2007-2014**



**Figure 2: Individual LPI Scores for TRACECA Countries in 2007-2014**





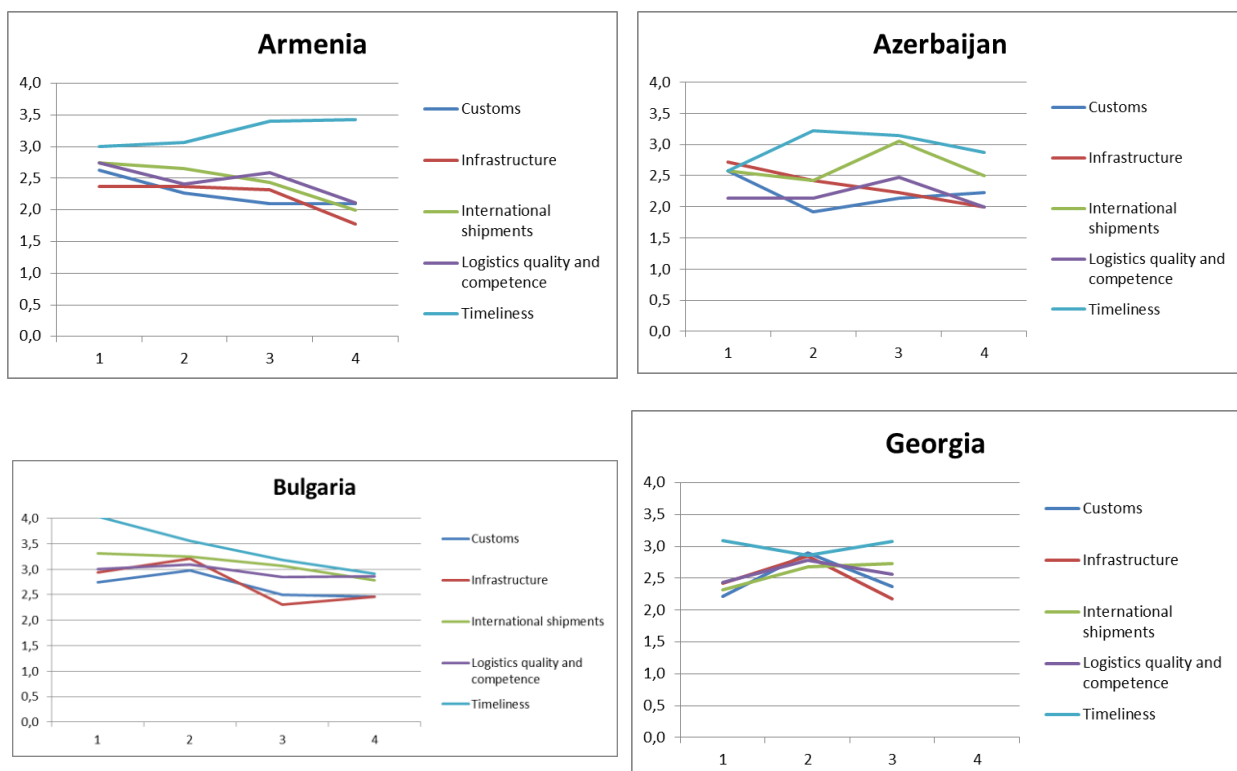
**Table 1: LPI Score Values for TRACECA Countries in 2007-2014**

Country	Score 2014	Score 2012	Score 2010	Score 2007
Armenia	↑2,67	↑2,56	↑2,52	2,14
Azerbaijan	↓2,45	↓2,48	↑2,64	2,29
Georgia	↓2,51	↑2,77	2,61	na
Moldova	↑2,65	↓2,33	↑2,57	2,31
Ukraine	↑2,98	↑2,85	↑2,57	2,55
Kazakhstan	↔2,70	↑2,69	↑2,83	2,12
Kyrgyz Republic	↓2,21	↓2,35	↑2,62	2,35
Uzbekistan	↓2,39	↓2,46	↑2,79	2,16
Tajikistan	↑2,53	↓2,28	↓2,35	1,93
Turkmenistan	↓2,30	na	2,49	
Bulgaria	↑3,16	↑3,22	↓2,83	2,87
Romania	↑3,26	↑3,00	↓2,84	2,91
Turkey	↑3,50	↑3,51	↑3,22	3,15

Legend:  
↓-decrease in comparison to the previous LPI score  
↑-increase in comparison to the previous LPI score  
↔-no substantial change in comparison with the previous score  
Cells marked in red demonstrate worsening in the performance in 2014 in comparison to 2007  
Cells marked in green demonstrate improved performance in 2014 in comparison to 2007

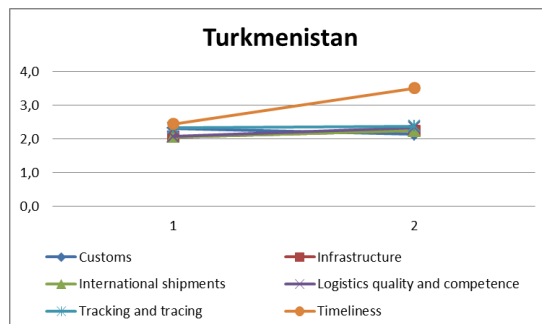
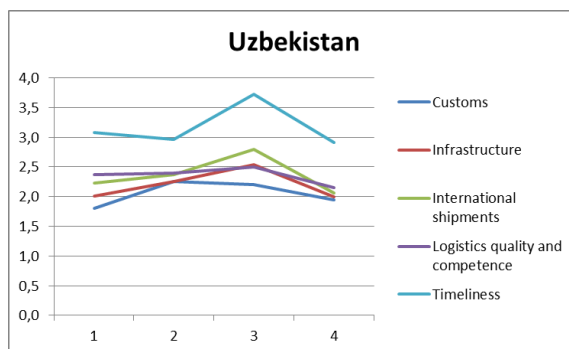
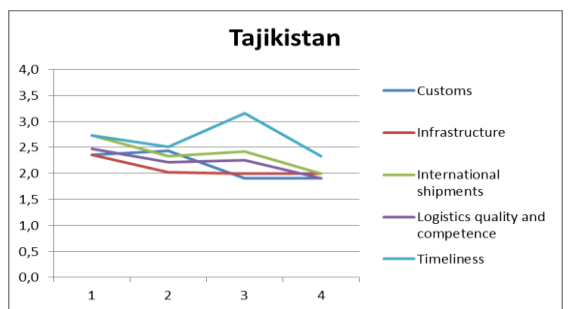
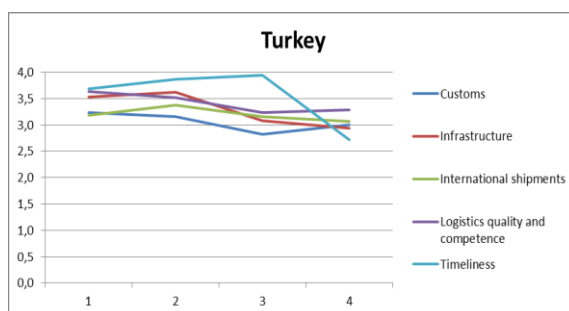
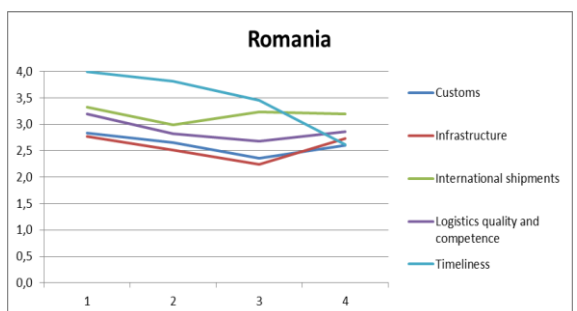
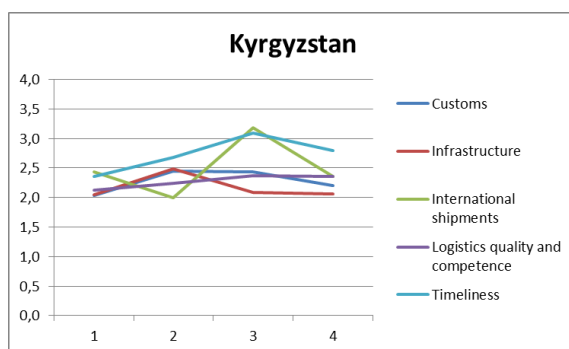
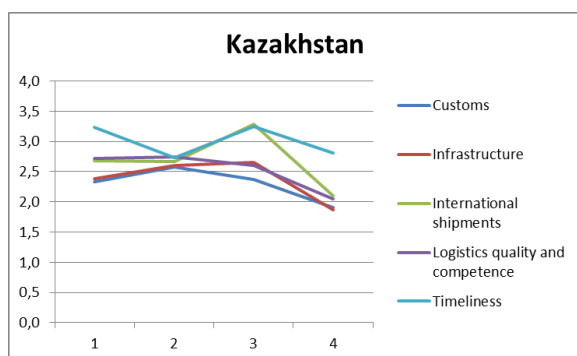
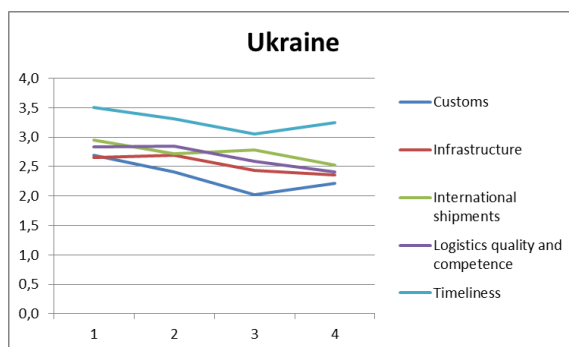
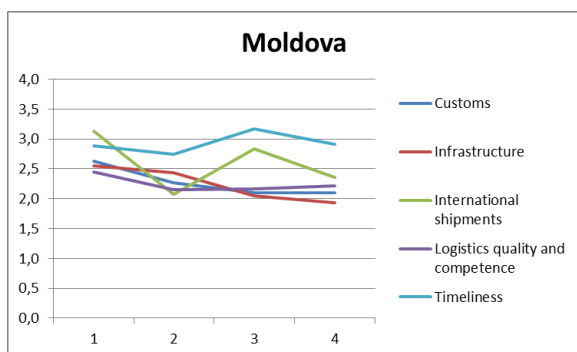
**Figure 3: Components of the LPI scores 2007-2014**

1 – LPI measurements in 2014, 2 - LPI measurements in 2012, 3- LPI measurements in 2010, 4 LPI measurements in 2007





## Logistics Processes and Motorways of the Sea II





Bearing in mind the variety of backgrounds and conditions in the TRACECA countries, the LOGMOS Project opted for targeted improvement on specific practical issues of logistics and motorways of the sea relevant to each particular country. At the same time, the LOGMOS Project clearly had a regional dimension, and all country-wise actions were of regional impact.

This approach aimed at increasing TRACECA logistics stakeholders' awareness and understanding of the requirements of corridor users with regard to multimodal transport, transit and logistics. This stakeholder dialogue and facilitation on one hand helped to support vital projects and initiatives in transport and logistics; and on the other hand it was aligned with the EU's high level policy framework addressing improvement in transport markets, as set out in the ENPI Eastern Regional Programme Strategy Paper 2007-2013, ENPI National Indicative Programmes, and EU policy for development of the Trans-European Transport Network, as well as ENPI process on transport.

The objective of extending the Transport Trans-European Networks (TEN-T) has been reflected in project activities which promote economic integration of TRACECA countries into the global economy through European routes. In addition, given that the length of the TRACECA corridor from West to East is more than 5,500 km, priorities have included measures for developing intra-regional linkages, or solving TRACECA internal problems at the inter-regional level.

In summary, the LOGMOS Team's approach to implementation was based on four pillars from the start of the Project:

- Capacity development of TRACECA stakeholders;
- Providing policy and/or expert advice to relevant institutions on the practical matters associated with implementation of the pilot projects that fit into national and regional policy frameworks;
- Strengthening implementation, encouraging stakeholder ownership of pilot projects and addressing practical regulatory issues;
- Facilitation of cooperation with the EU and fostering donor cooperation and dialogue on LOGMOS topics.

**Project components in brief:** As shown in Figure 4 the work of the Project has been organised around five components defined by the terms of reference:

1. Addressing Motorways of the Sea concept through existing and future pilot projects and their hinterland dimension.
2. Development and promotion of the concept of regional networks of Logistics Centres and intermodal interfaces.
3. Logistics Processes and Motorways of the Sea Master Plan for TRACECA
4. Addressing National/Regional Regulatory Adjustment.
5. Communication, Visibility and Information.

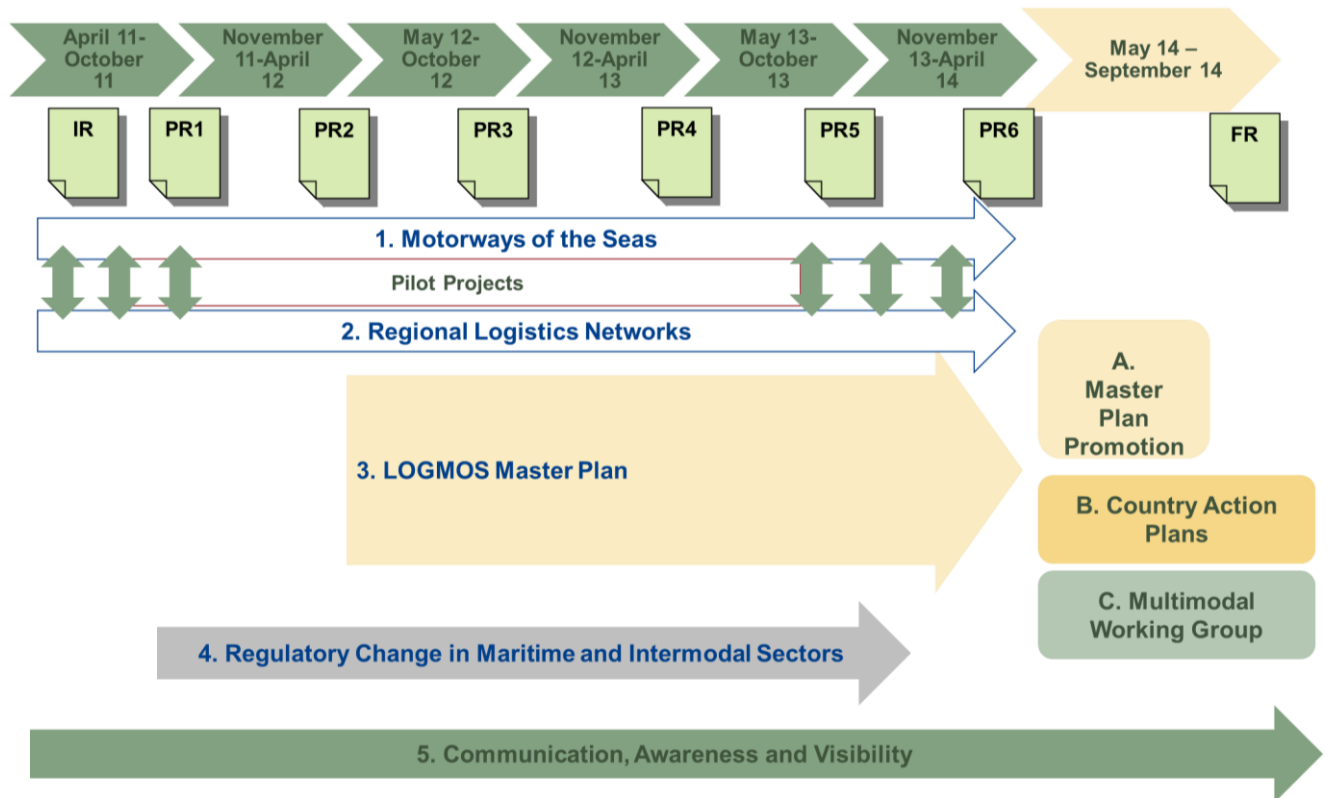
Implementation of these activities was split into the three years of the initial project duration.

Altogether the LOGMOS Project has developed in seven reporting periods. Upon completion of each phase corresponding administrative and technical reports were issued. Components one and two were addressed throughout the whole project, as the leitmotif of the assignment. Activities in support of implementation of the Master Plan started in year two and were extended till September 2014. All project work was supported by a solid legal analysis component, which outlined the main directions of pragmatic legal changes in areas of logistics and motorways of the sea links. All these activities were duly communicated and coordinated with the involved



stakeholders through a built-in mechanism of awareness raising, capacity development and communications.

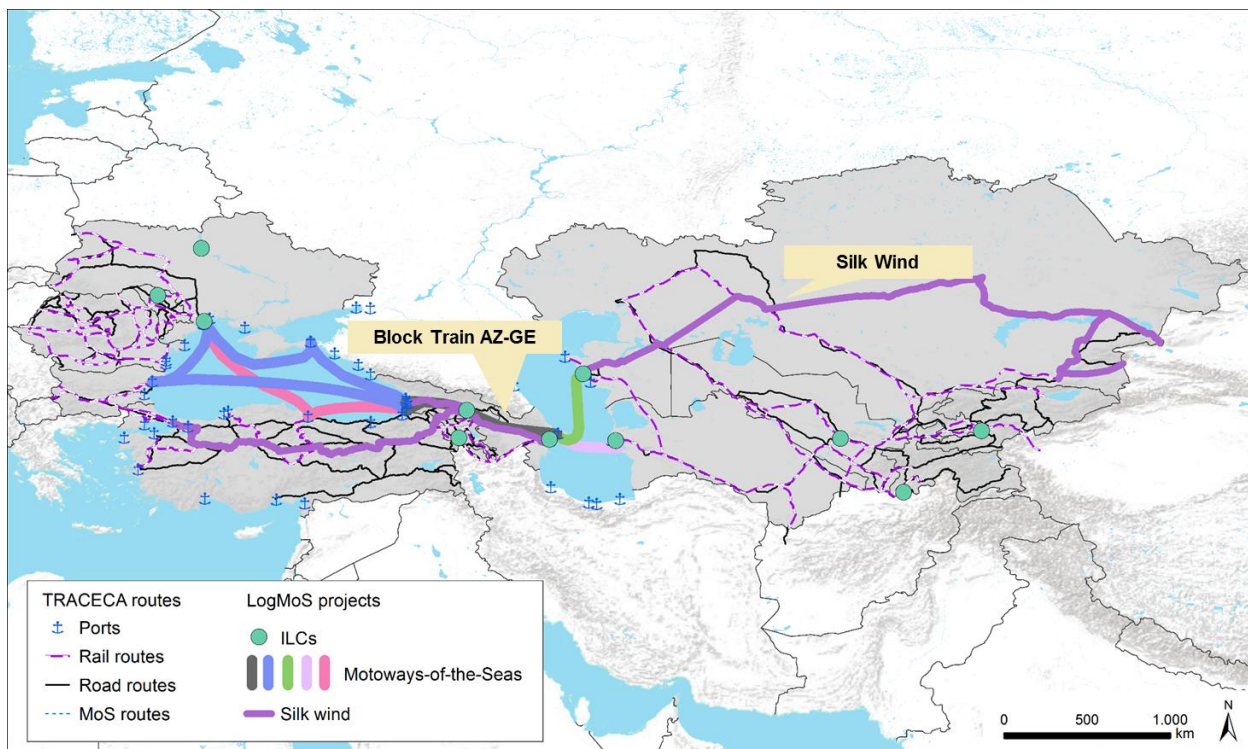
**Figure 4: Project Components and Implementation Schedule April 2011 – September 2014**



The LOGMOS Project has identified three major links (Figure 5) along the corridor that have to be improved for the sake of enhanced attractiveness of the TRACECA corridor:

- **Silk Wind Project connecting Asia to Europe via Caspian Sea and Turkey**, which not only serves as a vital direct land-based link between Europe and China, but also provides for feeder routes from other landlocked Central Asia countries to the Silk Wind. In addition, functioning of the Silk Wind depends on proper running of the cross-Caspian link, and well-functioning logistics nodes in Kazakhstan, Georgia, and Azerbaijan.
- The Caucasus leg is covered by the **Baku – Poti – Batumi block train link**, which in combination with infrastructure development at Alyat, Tbilisi and Yerevan logistics nodes would provide a reliable link for supply chains on TRACECA routes.
- For the **Black Sea** countries, development of the motorways of the sea, logistics hubs and improvement of the transit potentials (removing existing soft barriers) and looking for new links (maritime and inland waterways) are among the most important priorities for improvement.

Figure 5: Major LOGMOS Links



These improvements targeted development of the core network – i.e. multimodal TRACECA routes, major transport hubs and border crossing points.

As far as logistics centre projects are concerned, it should be noted that some inherited projects did not meet the criterion that a logistics hub should be either a major city or an industrial node. These include logistics centres identified in Tajikistan, Uzbekistan and Moldova (where the chosen site has potential to become a major agricultural and processing node). These centres have a satellite function and the potential to become feeder locations benefiting from linkages to international routes. For these countries, therefore, the Project recommended focusing on development of hub nodes in the vicinity of the major cities and industrial clusters such as Almaty, Dushanbe, Tashkent, Samarkand/Bukhara, Bishkek, Chisinau and Giurgiulesti. These developments and concepts have duly been discussed with beneficiaries and project stakeholders and are incorporated into the LOGMOS Master Plan.

Several LOGMOS pilot projects have already generated committed interest within the TRACECA IFI community, especially related to the projects located on TRACECA routes that coincide with CAREC corridors. The following TRACECA projects identified together with the beneficiaries were earmarked by the ADB for financing under the CAREC Regional Strategy 2020. The LOGMOS pilot projects are highlighted.

Azerbaijan	<ul style="list-style-type: none"> <li>▪ East–West Highway - M2 Improvement and Expansion Yevlakh–Ganja, Gazakh</li> <li>▪ High-Capacity Ferries and Ro-Ro for Caspian Shipping (LOGMOS)</li> <li>▪ Construction of Baku Alyat Port (Phase I)</li> <li>▪ Hajygabul–Yevlakh and Ganja–Qazakh Roads</li> <li>▪ Logistics Centre at Baku Alyat (LOGMOS)</li> </ul>
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 Kazakhstan	<ul style="list-style-type: none"> <li>▪ Aktau–Beyneu Road Rehabilitation (Mangystau Oblast Section)</li> <li>▪ Rehabilitation of Western Europe–Western PRC Transit Corridor (Aktubinskaya Oblast, Kazakhstan, to Xinjiang, PRC)</li> <li>▪ Electrification of Dostyk–Aktogay Railway Section</li> <li>▪ Expansion of Aktau Port (LOGMOS)</li> <li>▪ Construction of New Railway Line Zhezkazghan–Saksaulskaya</li> <li>▪ Shymkent–Tashkent Road</li> <li>▪ BCP Improvement for Road and Railway Operations at Dostyk</li> <li>▪ Logistics Centre in Aktau (LOGMOS)</li> <li>▪ Logistics Centre at Khorgoz</li> </ul>
 Kyrgyzstan	<ul style="list-style-type: none"> <li>▪ Bishkek–Torugart Road Rehabilitation</li> <li>▪ Electrification of Lugovaya–Bishkek (Alamedin) Railway</li> <li>▪ Rehabilitation of Balykchy–Chaldovar–Lugovaya Railway</li> <li>▪ Rehabilitation of Bishkek–Osh Road</li> <li>▪ BCP Improvement for Road Vehicles at Karamyk</li> <li>▪ LC Osh (LOGMOS)</li> </ul>
 Tajikistan	<ul style="list-style-type: none"> <li>▪ Kurgonteppa–Dusti–Panji Road Rehabilitation</li> <li>▪ Dushanbe–Tursunzade–Uzbekistan Border Road (62 km)</li> <li>▪ Construction of Railway Line of Kolkhozabad–Dusti–Pandj–Afghan Border (50 km)</li> <li>▪ Logistics Centre Pandj (LOGMOS)</li> </ul>
 Turkmenistan	<ul style="list-style-type: none"> <li>▪ LC Turkmenbashi (LOGMOS)</li> <li>▪ Reconstruction of Ashgabat–Turkmenbashi Highway</li> </ul>
 Uzbekistan	<ul style="list-style-type: none"> <li>▪ Electrification of Karshi–Termez Railway Section</li> <li>▪ Electrification of Marokand–Karshi Railway Section</li> <li>▪ Electrification of Marokand–Navoi–Bukhara Railway Section</li> <li>▪ Logistics Centre Angren (extension)</li> </ul>

### Endorsement of the Master Plan on the Technical Level

Endorsement of the Master Plan on the technical level was within the scope of Progress Report 6, from November 2013 till April 2014. Two regional events were organised to present the finalised Master Plan and to promote its endorsement in the TRACECA countries. Both events took place in Tbilisi in November 2013 and April 2014, respectively. Comprehensive in-country consultations took place with stakeholders from the private sector.

A coordination meeting was organised in Kiev in January 2014 with the Programme Manager and current EU-funded TRACECA projects (IDEA II, TRACECA Maritime Safety and LOGMOS). During this meeting, the Road Map and high level recommendations of the Master Plan were discussed. These recommendations and the Road Map were coordinated with the



Programme Manager at the EC in January and February 2014 and distributed in February 2014.

The aim of these interrelated activities was to ensure endorsement of the Master Plan at the technical level. This was achieved in April 2014. The Team's next steps were to prepare a smooth transfer of the Master Plan to political endorsement by countries.

The Master Plan is well in-line with the EU-objectives/policies economic (economic development, environmental sustainability, market opening/integration). The Master Plan provides a guiding framework for the countries to improve their multimodal logistics chains. To assure continuity of these recommendations and response to requests from beneficiaries to provide support with elaboration of national Action Plans for Master Plan implementation, the EC has extended the Project contract till end of September 2014. A contract addendum was signed at the end of April 2014. During this project extension, activities aimed at providing support to countries for elaboration of the Action Plans at the national levels were implemented.

### **Capacity building, stakeholder partnerships, missions and events:**

The complexity of the MoS initiatives and logistics processes in the region and the importance of their sustainability and long-term impacts required comprehensive capacity building efforts targeting both public and private stakeholders. Therefore, capacity building has become a fundamental component of the LOGMOS Project, even more so in terms of the corridor development and implementation of the LOGMOS TRACECA Master Plan.

In designing and implementing capacity building and training events, the LOGMOS Project used European and international best practices as well as successful experiences of beneficiary countries. Representatives of leading transport institutions worldwide delivered lectures during training sessions. Capacity building and promotion of networking between stakeholders in the countries was a focal point on the agenda of all missions to TRACECA countries.

Furthermore, the Project Team has capitalised on the network of private sector actors and involved their know-how. Private sector stakeholders have been invited to the Project training events to present their business concepts and experiences. Active promotion of business networking between TRACECA and the international stakeholders took place.

The LOGMOS capacity development and training events have been tailored to the needs of specific target audiences and covered various topics, such as aspects of trade facilitation, corridor development, logistics hubs, inland waterways, etc. Table 2 illustrates major events and missions undertaken by the Team during the Project implementation.



Logistics Processes and Motorways of the Sea II

**Table 2: Missions, Events and Capacity Building Measures**

<b>Project title:</b> LOGMOS	<b>Project number:</b> 2011/264459	Beneficiary countries: Direct: Armenia, Azerbaijan, Republic of Moldova, Ukraine and Georgia, Kazakhstan, Kyrgyzstan, Uzbekistan, Tajikistan and Turkmenistan																																													
		Indirect: Bulgaria, Romania, Turkey																																													
<b>Period:</b>	Prepared on: 27 April 2014	EC Contractor: Egis International / Dornier Consulting																																													
27 April 2011 – 26 September 2014	Updated on 26 September 2014																																														
Project objective: Contribute to the long–term sustainable development of the logistics infrastructure and multimodal transport along the TRACECA corridor.																																															
	TIME FRAME																																														
year	2011											2012												2013												2014											
Calendar month	4	5	6	7	8	9	10	11	12	1	2	3	4	5	6	7	8	9	10	11	12	1	2	3	4	5	6	7	8	9	10	11	12	1	2	3	4	5	6	7	8	9					
EC / Brussels	x										x							x		x		x						x														x		x			
Armenia			x		x	x												x	x						x																	x					
Azerbaijan			x		x	x							x	x										x	x																x						
Bulgaria			x							x																																					
Georgia		x	x	x	x	x	x		x		x		x					x	x			x			x			x					x								x						
Moldova					x									x			x			x										x																	
Kazakhstan					x	x		x			x	x					x						x																			x					
Kyrgyzstan																	x																														
Romania								x	x																																						
Tajikistan						x																																					x				
Turkey													x		x																												x				
Turkmenistan						x								x																																	
Ukraine (outside basis of operation)		x	x		x	x	x		x			x		x	x		x										x		x													x	x	x			
Uzbekistan									x																																						



### Logistics Processes and Motorways of the Sea II

year	2011										2012												2013												2014									
Calendar month	4	5	6	7	8	9	10	11	12	1	2	3	4	5	6	7	8	9	10	11	12	1	2	3	4	5	6	7	8	9	10	11	12	1	2	3	4	5	6	7	8	9		
EU-funded LOGMOS Project Events																																												
EU-funded LOGMOS Regional seminar– actions plans and working group formation, Ukraine				x																																								
Technical railway meeting of Georgia, Ukrainian and Armenian Railways, Ukraine								x																																				
UA task force meeting on railway technical subjects, Ukraine									x			x															x																	
KAZ national working group meeting, Kazakhstan										x						x																												
LOGMOS regional meeting for all TRACECA countries + training, Brussels										x																																		
TR Bilateral task force meeting on Silk Wind Project between Kazakhstan and Turkey													x		x																													



### Logistics Processes and Motorways of the Sea II

year	2011											2012												2013												2014								
Calendar month	4	5	6	7	8	9	10	11	12	1	2	3	4	5	6	7	8	9	10	11	12	1	2	3	4	5	6	7	8	9	10	11	12	1	2	3	4	5	6	7	8	9		
Pilot Project task force meeting in Azerbaijan													x																															
Regional training workshop on containerisation trends and customs for AZ, KAZ, GEO and TR, Azerbaijan													x																															
Study tours and trainings															x												x																	
Regional LOGMOS Meeting on Silk Wind Project and Ro-Ro Transportation in Caspian																x																												
Regional Trade Facilitation Workshop and Silk Wind-Caspian Ro-Ro Working Group meetings																x					x																							
Logistics and Maritime Trainings in Georgia																									x																			



# Logistics Processes and Motorways of the Sea II

year	2011										2012												2013												2014																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																					
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# Logistics Processes and Motorways of the Sea II

year	2011											2012												2013												2014								
Calendar month	4	5	6	7	8	9	10	11	12	1	2	3	4	5	6	7	8	9	10	11	12	1	2	3	4	5	6	7	8	9	10	11	12	1	2	3	4	5	6	7	8	9		
Balkan Intermodal Conference, Sofia			x																																									
5 <sup>th</sup> International Container Summit, Odessa						x																																						
3 <sup>rd</sup> Joint meeting of port managers of the Caspian Littoral States, Turkmenbashi						x																																						
PS Working Group Meeting, Tbilisi							x																																					
First Meeting of the Inter-ministerial Working Group of the One Window – Local Solution Customs Project, Kiev							x																																					
14 <sup>th</sup> International Conference – Transit Potential of Ukraine							x																																					
Annual Meetings of the IGC TRACECA								x																						x														
International Conference – Trans Eurasia 2011, Kazakhstan								x																																				
Annual meeting of the Black Sea Rail-Ferry Line Committee, Georgia									x																																			



# Logistics Processes and Motorways of the Sea II

year	2011											2012												2013												2014								
Calendar month	4	5	6	7	8	9	10	11	12	1	2	3	4	5	6	7	8	9	10	11	12	1	2	3	4	5	6	7	8	9	10	11	12	1	2	3	4	5	6	7	8	9		
TRACECA Investment Forum, Brussels											x																																	
PS Meeting, Brussels											x																																	
Bilateral Transport Panel Kazakhstan – Georgia													x																															
PS Working Group on the Road Transport, Ukraine													x																															
IRU/UNECE/OSCE TRACECA conference on prospects of Development of Transport and Transit in Central Asia and the Caspian Region, Turkmenistan														x																														
Kick-Off meeting of EU-Twinning Project on Multimodal Transport and Logistics, Ukraine														x																														
Inter-ministerial working group for the creation of the single-window concept in Odessa, Ukraine																		x																										



### Logistics Processes and Motorways of the Sea II

year	2011										2012												2013												2014									
Calendar month	4	5	6	7	8	9	10	11	12	1	2	3	4	5	6	7	8	9	10	11	12	1	2	3	4	5	6	7	8	9	10	11	12	1	2	3	4	5	6	7	8	9		
EC e-Maritime Annual Conference 2012																				x																								
Coordination meeting EC-EU projects																									x																			
Conference on Implementation of Baltic – Black Sea Transport Corridors, Ukraine																												x																
Maritime Transport and Inland Navigation Seminar – Eastern Partnership Transport Panel, Brussels																												x																
PS IGC TRACECA meeting, Tbilisi, Georgia																																											x	
Final event of EU-Twinning Multimodal Project in Ukraine																																											x	
Astana Economic Forum 2014																																												x



## 4 PROJECT ACTIVITIES IN THE FINAL REPORTING PERIOD

The final reporting period covers the five months of project extension from May 2014 till September 2014.

The major purpose of the extension was to ensure ownership of the countries of the LOGMOS Master Plan and Action Plans in view of the next IGC meeting and to arrange an interface period with the EU-funded IDEA II project. The proper hand-over of the Project results to countries was included in these final activities, implemented under the following result domains:

- A. Promotion of the LOGMOS Master Plan after the final event and analysis of its possible implementation in main beneficiary countries**
- B. Elaboration of country-wise Action Plans for Master Plan implementation in countries: Master Plan prepared for endorsement at the political level**
- C. Support to EU-funded IDEA II project in formation of the multimodal experts group and preparation of Master Plan political endorsement**

The logical framework of project implementation in the extension period is presented in the Table 3 below:

**Table 3: Logical Framework for Implementation of the LOGMOS Extension**

Intervention logic	Objectively verifiable indicators	Sources and means of verification	Assumptions
<b>Overall objective</b>			
To contribute to the long-term sustainable development of the logistics infrastructure and processes, and development of the multimodal transport along TRACECA corridor	<p>Increased volumes of goods on the TRACECA corridor in export, import and transit</p> <p>Reduction of transport costs from/to/via the TRACECA countries in export/import/transit operations</p> <p>Increased share of containerisation of goods</p> <p>Larger share of multimodal operations in transport transactions</p> <p>Concrete projects on improvement of the logistics capabilities / motorways of the sea connection on the regional and country level in TRACECA corridor</p> <p>Agreed Master Plan on LOGMOS</p>	<p>National statistics</p> <p>TRACECA database</p> <p>TRACECA investment forum publications</p> <p>ENPI Alerts</p> <p>Statistics and reports of the international organisations</p> <p>State and regional programmes and Action Plans</p> <p>Reports of the international organisations</p>	Not applicable for overall objective level



Intervention logic	Objectively verifiable indicators	Sources and means of verification	Assumptions
<b>Specific objective</b>			
Ensuring ownership of the countries of the LOGMOS Master Plan and national Action Plans, in view of the IGC meeting in Autumn 2014 and assuming an interface period with EU-funded IDEA II project for its hand-over	<p>Master Plan presented to wider stakeholders in countries</p> <p>Workshops or missions organised in at least 9 beneficiary countries</p> <p>Master Plan presented at Transport forum(s)</p> <p>IFIs informed about the Master Plan (on a technical view) and consider this in their programmes</p> <p>ToR/agenda for multimodal experts group has been drafted</p>	<p>Programming documents</p> <p>Documents of the round tables</p> <p>Decisions and recommendations</p> <p>ENPI Alerts</p> <p>Project and PS Webpages</p> <p>Investment forum documents</p> <p>IGC Documents</p> <p>National transport strategies and policies</p> <p>Project reports</p>	<p>Stakeholders available and committed</p> <p>Political situation allows to introduce provision aimed at the EU integration</p> <p>Action programmes of IFIs allow for incorporation of required action in medium and long-runs</p>
<b>Expected results</b>			
<p>A. Awareness of stakeholders</p> <p>B. Countries Action Plans/Road Maps are prepared</p> <p>C. Support to EU-funded IDEA II project in formation of the multimodal expert group and preparation of MP political endorsement</p>			
<b>Activities</b>			
A1.Presentation of the LOGMOS Master Plan at Astana Economic Forum (KZ) in May 2014	A: presentation of the Master Plan and discussions with stakeholders	Project reports Country feedback and Action Plans	Availability and participation of the counterpart staff
B1: Mission to major countries and organisation of the round tables <sup>3</sup>	<p>B1: presentations of the Master Plan</p> <p>organised round tables stakeholder meetings</p> <p>missions to countries</p> <p>8 Action Plans/Road Maps for countries</p>	<p>Agenda of the international transport conferences</p> <p>Action plan of donor and IFI community in countries</p>	<p>Favourable regional relations between countries</p> <p>Countries remain committed to the results of the previous projects</p> <p>Stakeholders are</p>

<sup>3</sup> The contacts to representatives of banks and donor organizations from May to September 2014. The LOGMOS Master Plan was presented to stakeholders – among them numerous representatives of banks – in Astana in May 2014. In Georgia, discussions continued with ADB, World Bank and EBRD concerning the financing of logistics infrastructure. In Kazakhstan, Armenia and Moldova support were provided to the beneficiary for further negotiations concerning the financing of projects for the development of logistics platforms. All LOGMOS pilot projects and other recommendation of the Master Plan for Central Asia and Azerbaijan are included into the CAREC Transport and Trade Facilitation strategy 2020.



Intervention logic	Objectively verifiable indicators	Sources and means of verification	Assumptions
B2: Daily coordination with the stakeholders in countries	B2: meetings and minutes summary of comments for improvement ad hoc consultations		willing to cooperate under the format of a task force and remain active in implementation of the results
C1: Coordination with EU-funded IDEA II on concept of the multimodal experts group in view of LOGMOS inputs	C1: schedule of inputs and verification activities		IFIs' strategies fit Master Plan objectives
C2: Mobilisation of stakeholders	C2: CVs of stakeholders submitted  list of experts fixed (as defined between EU-funded projects LOGMOS and IDEA II)		Country governmental policies allow for IFI funding and loans remain a possible instrument of public investments
C3: Inputs for multimodal experts group	C3: inputs to ToR for experts group		Investment forums and IGC are organised  Policies are favourable to implementation  Decision making process is consistent and adequate  Stakeholders at the national level realise the potential of the network and understand the winning results from participation

On the level of activities and performance indicators the following work has been implemented.

**A. Promotion of the LOGMOS Master Plan after the final event and analysis of its possible implementation in main beneficiary countries**

The main activity under this component was a presentation of the LOGMOS Master Plan at the Astana Economic Forum in May 2014, which was attended by all TRACECA countries, representatives of IFIs and donor organisations active in the region.

The main purpose of this component was to raise awareness of the Master Plan upon its technical endorsement by the target audience active in logistics and multimodal areas in the region. The Team Leader of the LOGMOS Project attended the event and delivered a presentation of the Master Plan. The presentation was followed by a panel discussion. The representatives of the IFIs who attended conference have received updates on the final version of the LOGMOS Master Plan.

**B. Elaboration of country-wise Action Plans for Master Plan implementation in countries: Master Plan prepared for endorsement at the political level**



This component encompassed two levels of activities comprising in-country missions and daily coordination with major stakeholders.

B1: Mission to major countries and organisation of the round tables

B2: Daily coordination with the stakeholders in countries

The main purpose of this component was to ensure due preparation at the political level for endorsement of the LOGMOS Master Plan.

The missions organised within this reporting period combined individual meetings (see Annex 2) and Road Map round tables. On the daily basis the Project Team has contacted stakeholders in the various countries, received their feedback and incorporated that into the Road Map.

Countries	Missions	Daily coordination	Round Tables	Action Plans
Ukraine	May 2014 June 2014 July 2014	Via Ukraine based short-term experts Regular exchange with the Ministry of Infrastructure	Organised in May and June 2014	Feedback received, recommendation adapted to national context (see Action Plan: Ukraine )
Moldova	May 2014	Via Moldova based short-term expert Regular exchange with the beneficiary and stakeholders	May 2014	Feedback received, recommendation adapted to national context (see Action Plan: Moldova)
Georgia	July 2014	Via Georgia based short-term expert Regular exchange with the beneficiary and stakeholders	July 2014	Feedback received, recommendation adapted to national context (see Action Plan: Georgia)
Azerbaijan	June 2014	Regular exchange with the beneficiary and stakeholders	June 2014	Feedback received, recommendation adapted to national context (see Action Plan: Azerbaijan)
Armenia	June/July 2014	Via Armenia based short-term expert Regular exchange with the beneficiary and stakeholders	June/July 2014	Feedback received, recommendation adapted to national context (see Action Plan: Armenia)
Tajikistan	June 2014	Regular exchange with the beneficiary and stakeholders	June 2014	Feedback received, recommendation adapted to national context (see Action Plan: Tajikistan)
Kazakhstan	May 2014	Regular exchange with the beneficiary and	May 2014	Feedback received, recommendation



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		stakeholders		adapted to national context (see Action Plan: Kazakhstan)
Kyrgyzstan	The proposed Road Map and the issues for the National Action Plan were discussed via electronic communication means because of limited availability of the stakeholders. Feedback and recommendations received from the beneficiary were adapted to national context. (see Action Plan: Kyrgyzstan)			
Uzbekistan (optional)	Uzbekistan was included into the list of countries for which the national Action Plan was supposed to be prepared optionally, in case the Project Team would gain access to data and a mission could be organised. The Project Team approached the National Secretary in May with a request to facilitate the mission to Uzbekistan in June 2014 (to combine it with a mission to Tajikistan). This request was rejected and a new proposal of the National Secretary to reschedule the mission in August 2014 was made, together with a request to send all required documents for the round table organisation. The Project has provided the Road Map documents for Uzbekistan, and proposed items to be considered by stakeholders in elaboration of the Action Plans. Unfortunately, the mission to Uzbekistan was not organised, because the National Secretary passed away in August 2014. The plan for Uzbekistan is included on the Road Map level, with some updated information on the priority / applicability of each of the recommendations as determined in the Project Team's consultations with other Central Asian countries.			

### C. Support to the EU-funded IDEA II project in formation of the multimodal experts group and preparation of Master Plan political endorsement

The work on this component was structured around three interrelated activities below:

- C1: Coordination with the EU-funded IDEA II on concept of the multimodal experts group in view of LOGMOS inputs
- C2: Mobilisation of stakeholders
- C3: Inputs for multimodal expert group

The main purpose of the component is to provide to the EU-funded IDEA II project contacts for the mobilised committed stakeholders for further follow-up of the logistics and multimodal subjects at the TRACECA level. The agenda for the multimodal expert group was handed over to the EU-funded IDEA II project in September 2014. Upon the additional request of the EU-funded IDEA II project the updated lists of possible members of the multimodal expert group were defined. All country Action Plans contain tasks for the members of the multimodal expert groups.

Initially envisaged activities to contribute with technical presentations during the meetings of the multimodal expert groups could not be fulfilled during the project extension time, because the multimodal expert group is an initial stage of its formation, and has not yet physically established. The Team of the EU-funded LOGMOS project approached major stakeholders with an appeal to continue working on the implementation of the Master Plan, and actively take part in the follow up work.

In addition, during the coordination meeting in Brussels, a presentation delivered by the EU-funded LOGMOS project contained summary information on Master Plan recommendations relevant to the future activities of the multimodal expert group. The presentation was handed over to the Team of the EU-funded IDEA II project for further use. The approved version of the road map excel model was handed over too. Once the country action plans are approved, the monitoring area containing information on implementation of each recommendation will be



updated to assure compliance with the text of the published action plans. The updated road map excel model will be handed over to the team of the EU-funded IDEA II project.

In addition, two coordination meetings took place at the European Commission in Brussels. In July 2014, the LOGMOS Team was invited to Brussels to support IFI programming process for Ukraine in light of possible financial commitments to be made in its transport infrastructure, mainly via the banks. The meeting was attended by the DG DEVCO and the DG MOVE. During this meeting, the Master Plan and the Road Map were briefly presented, and the focus of priority recommendations for Ukraine outlined. The proposed priority pipeline of the banks was evaluated and discussed.

The second meeting was organised in September 2014, being an extended platform for preparation of the TIF 2015. The representatives of the EU (EEAS, DG DEVCO, DG MOVE) as well as the Teams of the EU-funded IDEA II and LOGMOS Projects attended the meeting. The meeting focused on analysis of the necessary steps in view of the possible TIF 2015 preparation. The EU-funded IDEA II project has presented the TRACECA prioritization methodology and core requirements for investment project pipeline. The EU-funded LOGMOS project presented the Master Plan – results, individual country Road Maps and recommendations, as well as outlined synergies between the activities of the EU-funded IDEA II and LOGMOS projects. The meeting evoked an interactive discussion on TRACECA prioritization process, initial results, projects for the pipeline and possible future steps. The Team of the EU-funded LOGMOS outlined its recommendations for TIF 2015, both in investment and soft project domains. In addition, the most urgent recommendation areas for TRACECA countries derived from the Master Plan have been outlined. These recommendations could be used as guidance for future work of the multimodal expert group upon its establishment.



## 5 OUTPUTS AND RESULTS

The following chapter has been prepared to provide a summary of the Project outputs and results achieved in the initial contract and during the extension period. The main delivery of the LOGMOS Project was the Master Plan on logistics and motorways of the seas for the TRACECA region. Therefore, the work of the Project has been aligned towards achievement of this ultimate objective. The Team's work in task forces and expert groups on the pilot projects, analytical and research activities as well as capacity building and training measure were oriented towards delivery of the Master Plan. In the extension period, the work of the Project Team was focused on elaboration of the national Action Plans for Master Plan implementation. These were prepared in close cooperation with the beneficiaries.

In the following Table 4 the performance indicators are listed according to five result areas, or project components of the main contractual period:

- **Project Inception**
- **Result 1:** Implementation of the Motorways of the Sea concept through existing and future pilot projects and their hinterland dimension.
- **Result 2:** Development and promotion of the concept of regional networks of Logistics Centres and intermodal interfaces.
- **Result 3:** Master Plan for the implementation of TRACECA LOGMOS concept.
- **Result 4:** Technical Assistance National/Regional Regulatory Adjustment.
- **Result 5:** Communication, Visibility and Information Plan.
- The results A, B and C outlined below represent the scope of work implemented in the extension period. **Result A:** Promotion of the LOGMOS Master Plan after the final event and analysis of its possible implementation in main beneficiary countries
- **Result B:** Elaboration of country-wise Action Plans for Master Plan implementation in countries: Master Plan prepared for endorsement at the political level
- **Result C:** Support to IDEA II project in formation of the multimodal experts group and preparation of Master Plan political endorsement

For each project output an indication of its completion is symbolically marked with the following signs: ✓ – indicator achieved or ↑ – indicator achieved at greater scale. A short history of the output delivery is presented together with the reason for any deviation. The Project Team has summarised comments on the assumptions that are relevant for implementation. It has also provided remarks on their development during the course of the Project and possible constraints to implementation.



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**Table 4: Output Performance Report**

<b>Project title:</b> LOGMOS	<b>Project number:</b> 2011/264459	Beneficiary countries: Direct: Armenia, Azerbaijan, Republic of Moldova, Ukraine and Georgia, Kazakhstan, Kyrgyzstan, Uzbekistan, Tajikistan and Turkmenistan; Indirect: Bulgaria, Romania, Turkey		Number of Pages: 17
<b>Planning period:</b> 27 April 2011 – 26 September 2014	<b>Updated on:</b> 26 September 2014	EC Contractor: Egis International / Dornier Consulting		
Output results	Comments on deviation from the original plan	Reason for deviation	Comments on constraints and assumptions	
• PI: Project inception				
<div>✓ 1 Kick-off in Brussels</div> <div>✓ Project office established</div> <div>✓ Counterpart structures established</div>	<b>INDICATORS ACHIEVED</b> <b>NO DEVIATION</b> from original plan	NA	Counterpart staff available to engage in meetings, project steering and working panels – held true.  Timely response to Project Team requests by the beneficiaries – held true.	
• 1A: Maritime dimension of MoS projects				
<div>✓ Preparation, distribution and update of Action Plans on five MoS identified projects and further Action Plans for new projects</div>	<b>INDICATOR ACHIEVED</b> <b>NO DEVIATION</b> from original plan  Distributed 07/2011, Updated in 10/2011, 10/2013  Updated during the progress periods II, III and IV  Ad hoc updates implemented	NA	Availability and participation of counterpart staff - held true, but sometimes the level of participation was inadequate (e.g. countries have delegated technical experts instead of decision makers).  Favourable regional relations between countries (some tensions occurred between TRACECA countries in Central Asia, Black Sea, changes of governments and decision-making stakeholders).	
<div>✓ National, bilateral and regional working groups and task forces on five MoS pilot projects are set up and work within the first year of the Project</div>	<b>INDICATOR ACHIEVED, NO DEVIATION</b>  National working groups / task forces are set up with participation of TRACECA beneficiary states	NA	Favourable investment environment (low and middle scores of TRACECA in doing business indexes of <a href="#">IFC/WB</a> ) Countries are committed to the pilot projects and technical regulatory reforms (especially true in regard to young	



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<b>Planning period:</b> 27 April 2011 – 26 September 2014	<b>Updated on:</b> 26 September 2014	EC Contractor: Egis International / Dornier Consulting		
Output results	Comments on deviation from the original plan	Reason for deviation	Comments on constraints and assumptions	
✓ National, bilateral and regional working groups and task forces set up for LOGMOS additional projects	<b>INDICATOR ACHIEVED, NO DEVIATION</b> Task forces for Silk Wind Project and Ukraine Transit Project were set up in April 2012	NA	TRACECA generation). Stakeholders are willing to cooperate in task forces and remain active in implementation. Customs and other border authorities provide full support to implementation of the Project (did not hold true completely, due to changes in political will in some countries and changed geopolitical environment in the region). Stakeholders are ready to capitalize on success stories to enable a quicker implementation of the results of previous projects (did not hold true completely, as in some countries priorities at the national level have changed).	
↑ At least one international stakeholder interested in development of pilot projects is identified	<b>ACHIEVED AT GREATER SCALE</b> International stakeholders as UND, UTIKAD, Maersk, CMA, MSC, Polzug, K&N, DB Schenker, DHL, etc., are involved in project implementation	<ul style="list-style-type: none"><li>Interest of the stakeholders in several pilot projects</li><li>Requests of the beneficiaries to assist in extending of their business networks</li></ul>		
1B: Hinterland dimension of MoS projects				
✓ Shipping line updates for Black Sea and Caspian Sea are issued every six months and included into the reports	<b>INDICATOR ACHIEVED, NO DEVIATION</b> 1st issue 07/2011 2nd issue – PR II 3rd issue – PR III 4th issue – PR IV 5th issue – PR V 6th issue – PR VI	NA	The beneficiaries pursue committed action in terms of necessary legal adjustments – hold true, legal reforms are underway. It is recommended to shift the pace of reforms to adjustments in-line with best international practices, rather than pursuing TRACECA-pioneering solutions.  Free access to the Project sites, availability of information and documents.  TRACECA objectives fit IFIs' strategies.  Country governmental policies allow for IFI funding and	



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<b>Planning period:</b> 27 April 2011 – 26 September 2014	<b>Updated on:</b> 26 September 2014	EC Contractor: Egis International / Dornier Consulting		
Output results	Comments on deviation from the original plan	Reason for deviation	Comments on constraints and assumptions	
<p>✓ In 13 beneficiary countries assessment and recommendations on feasibility of previously unselected and new pilot projects are implemented</p>	<p><b>INDICATOR ACHIEVED, NO DEVIATION</b></p> <p>Update of MCA – 2011, 2012, 2013</p> <p>MCA Summary published in 02/2014</p> <p>Silk Wind Project has been identified, Action Plan prepared and regularly updated</p> <p>Case study on Dnepr 10/2012, updated 10/2013</p> <p>Case study on Danube –04/2012, updated 10/2013</p> <p>Case Study on Ukraine transit – 04/2013</p>	NA	<p>loans remain a possible instrument of public investments – did not hold completely for all TRACECA countries.</p> <p>Interest of the international stakeholders in the region – biased interest of investors in Caucasus and Black Sea region, Kazakhstan, lower interest in Central Asia (esp. closed economies of Turkmenistan and Uzbekistan).</p> <p>Strategies of the international shipping business include activities in the TRACECA region – partly hold true, but market liberalisation in the Caspian Sea area is still urgently pending.</p>	
<p>✓ Technical assistance aimed at mobilisation of different sources of financing for the implementation of MoS projects</p>	<p><b>INDICATOR ACHIEVED, NO DEVIATION</b></p> <p>ILC in Zvartnots has been presented at the TRACECA investment forum, included in state programme of regional development</p> <p>ILC at Marculesti is included into state transport priority programme</p> <p>ILC at Boryspil is being developed using investment of the project owner, and has been presented at Brussels workshop of LOGMOS</p> <p>Meetings with potential investors - organised at regional project events</p> <p>This work was coordinated with IDEA II project, and major TRACECA provisions are included into the Master Plan</p>	NA	<p>Investment forums are organised – during the Project life cycle only one investment forum was organised in 2012.</p>	



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<b>Planning period:</b> 27 April 2011 – 26 September 2014	<b>Updated on:</b> 26 September 2014	EC Contractor: Egis International / Dornier Consulting		
<b>Output results</b>	<b>Comments on deviation from the original plan</b>	<b>Reason for deviation</b>	<b>Comments on constraints and assumptions</b>	
✓ Set up of the key performance indicators for pilot projects and updates	<b>INDICATOR ACHIEVED, NO DEVIATION</b> Included into the Action Plans and updates thereof Recommendations were provided upon request	NA		
<b>2: Regional networks of Logistics Centres and follow up</b>				
✓ Preparation, distribution and update of Action Plans on 11 ILC identified projects and further Action Plans for additional projects	<b>INDICATOR ACHIEVED, NO DEVIATION</b> Distributed 07/2011 Updates in 10/2011 On agenda of all relevant events Transferred to ownership of stakeholders Developed for new additional projects –10/2012 Action Plans published within the Master Plan with updated country profiles – 04/2014	NA	Countries remain committed to the results achieved in the previous projects – this assumption did not hold completely true:  – a constraint related to this assumption has been for the logistics centres the striking differences in project maturity has been observed and the feasibility studies prepared for Central Asia;  – it constituted one of the major constraints with the follow-up. The sites were not defined as physical plots in most of the cases and therefore did not have any specific stakeholders as a developer.	
✓ National, bilateral and regional working groups or task forces on 11 ILC pilot projects as required for scope and status of individual project are set up and work within the first year of the Project	<b>INDICATOR ACHIEVED, NO DEVIATION</b> National working groups / task forces are set up with participation of all beneficiary countries within required time frame	NA	Policies are favourable to implementation  - In some countries change in transport sector development priorities has occurred;  - Internal sector changes were not conducive to development of the East – West axis.	
✓ National, bilateral and regional working groups and task forces set up for LOGMOS additional projects	<b>INDICATOR ACHIEVED, NO DEVIATION</b> (common indicator with the Result 1)	NA	Customs sector is willing to cooperate and introduce change – this assumption did not hold true completely in all countries.  Intention of countries to access Eurasian customs union	



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<b>Planning period:</b> 27 April 2011 – 26 September 2014	<b>Updated on:</b> 26 September 2014	EC Contractor: Egis International / Dornier Consulting		
Output results	Comments on deviation from the original plan	Reason for deviation	Comments on constraints and assumptions	
<p>✓ Core links between ports and logistics hubs are identified for all direct beneficiary countries</p>	<p><b>INDICATOR ACHIEVED, NO DEVIATION</b></p> <p>MCA basis – 07/2011</p> <p>MCA updated – 04/2012</p> <p>MCA updated – 10/2013</p> <p>Basis for LOGMOS Master Plan methodology published in 04/2012, updated 10/2012</p> <p>Concept paper for LOGMOS Master Plan was approved in 12/2012</p> <p>Work on country profiles has been finalised, country profiles updated on 10/2013 and in 01/2014</p>	NA	<p>hindered implementation of European integration.</p> <p>Recommendations of the Project are actively followed up by the tasks forces and promoted by the participants of the Action Plans – this assumption did not hold completely true, the decision making level in some countries could not be reached, mainly due to limited direct access to the institutions.</p> <p>Countries' relations are not undergoing regional tensions – in terms of defined logistics nodes this assumption held true (with exception of Uzbekistan developing a logistics centre in Angren). In terms of logistics networks some regions experienced consequences of hidden tension between the governments.</p>	
<p>✓ One Action Plan / guidelines for TRACECA network of the logistics centres</p>	<p><b>INDICATOR ACHIEVED, NO DEVIATION</b></p> <p>Included into the LOGMOS Master Plan methodology</p> <p>Incorporated into the LOGMOS Master Plan as specified in the concept paper dated 12/2012</p> <p>Approach and recommendations discussed at all regional events</p> <p>Draft published Action Plans within Master Plan in 10/2013</p> <p>Annex 7 of the Master Plan 02/2014</p> <p>Road Map on multimodal dimension 02/2014 and 04/2014</p>	NA	<p>Stakeholders are promoting a regional approach – this assumption is especially true as far as international stakeholders are concerned.</p> <p>International stakeholders are interested in exploiting new business opportunities in the transport sector in TRACECA – this assumption held true for the regions of the Black Sea, Caucasus and Kazakhstan.</p> <p>Decision making process is consistent and adequate – this assumption held true at middle policy management level; some countries have drastically changed their development orientations.</p> <p>Stakeholders at the national level realise the potential of the network and understand the winning results from</p>	





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Output results	Comments on deviation from the original plan	Reason for deviation	Comments on constraints and assumptions	
✓ Interface projects adjusted to promote the network of logistics centres are adapted	<b>INDICATOR ACHIEVED, NO DEVIATION</b> Final updates of recommendations related to Action Plans took place in 10/2013 Included in the Master Plan as per concept paper	NA	participation – this assumption held true.	
✓ 11 feasibility studies are followed up	<b>INDICATOR ACHIEVED, NO DEVIATION</b> Follow up in the framework of the Action Plans Ownership transferred to stakeholders Ad hoc consultations were held	NA		
<b>3: LOGMOS Master Plan</b>				
✓ MCA for LOGMOS Project identification methodology agreed in the first year of implementation (also relevant to results one & two)	<b>INDICATOR ACHIEVED, NO DEVIATION</b> MCA methodology basis has been created / publication of the TEN-T policy review was essential for this work MCA reviews 2011, 2012, 2013 MCA summary published in 2014	NA	<ul style="list-style-type: none"><li>Countries are available for consultations – this assumption held true.</li><li>Decision making favourable to project environment – this assumption held true for most of the TRACECA countries, but some regions have often experienced many changes at the decision making level in policy sector.</li><li>Decision making process is clear and consistent – this assumption held true for most of the TRACECA countries, but some regions have often experienced many changes at the decision making level in policy sector.</li></ul>	
✓ MCA runs on project proposals (also relevant to Results one and two)	<b>INDICATOR ACHIEVED, NO DEVIATION</b> MCA runs in 2011, 2012 and 2013, discussed during the meetings and workshops, dynamics discussed & published in 2013 / 2014	NA		



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Output results	Comments on deviation from the original plan	Reason for deviation	Comments on constraints and assumptions	
 2–3 case studies on LOGMOS connections (also relevant to Results one and two)	<b>ACHIEVED AT GREATER SCALE</b> 1st case study on the CBA for the Block Container train – 04/2012 2nd case study on the road access to Zvartnots Airport Logistics Centre – 04/2012 3rd case study on potential of Dnepr –10/2012, updated 10/2013 4th case study on potential of Danube for TRACECA – 04/2012, updated in 10/2013 5th case study on Ukrainian transit potential for TRACECA –04/2013, accepted by beneficiary Silk Wind Project has been endorsed at a high political level		<ul style="list-style-type: none"> <li>Counterpart staff committed and proactive – this assumption held true especially in regard to TRACECA young generation, and international level stakeholders.</li> <li>IFIs remain committed to improvement of the infrastructure in the region – this assumption held true.</li> <li>Availability of funds and programmes – this assumption held true.</li> <li>Country policies envisage external borrowing – in some countries this assumption did not hold true (Armenia).</li> <li>TRACECA investment forum is organised – during the Project lifecycle only one TIF has been organised in 2012.</li> <li>Ports pursue regional partnership strategies - this assumption held true especially in the Black Sea region of TRACECA, Caspian Sea ports are still lagging behind, and implement excessive infrastructure development projects.</li> </ul>	
 LOGMOS Projects identified for Annual TRACECA Investment Forum (also relevant to Results one and two)	<b>INDICATOR ACHIEVED, NO DEVIATION</b> A project on road access to the Yerevan logistics centre was presented at TIF 2012 Development of documents for block train CBA and ILC Tbilisi for Georgia	NA		



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<b>Planning period:</b> 27 April 2011 – 26 September 2014	<b>Updated on:</b> 26 September 2014	EC Contractor: Egis International / Dornier Consulting		
Output results	Comments on deviation from the original plan	Reason for deviation	Comments on constraints and assumptions	
✓ LOGMOS Master Plan prepared	<p><b>INDICATOR HAS BEEN ACHIEVED, NO DEVIATION</b></p> <p><b>MASTER PLAN has been endorsed at a technical level in April 2014</b></p> <p>Introduction 04/2012</p> <p>Initial version 10/2012</p> <p>Revised concept paper and implementation plan have been approved by the EC 12/2012</p> <p>Initial Meeting with DG Move was held 01/2013 with facilitation of DEVCO</p> <p>Project participation at EaP maritime transport seminar in Brussels 07/2013</p> <p>Updates of all sections of the Master Plan published in 10/2013</p> <p>Master Plan provisions have been discussed in 6/2013, presented at IGC on 09/2013, discussed in 11/2013</p> <p>Presented at the final event and endorsed at a technical level in April 2014</p>	NA	<p>– As far as the Master Plan is concerned, the preparation of the document has been initially (till May 2012) backlogged due to absence of:</p> <p>A) approval of the TEN-T policy review</p> <p>B) political enforcement of the EaP network</p> <p>– These were essential in aligning the proposed strategies and approaches of the LOGMOS Master Plan with the EU new policies and approaches.</p> <p>– Sustainability of the Master Plan implementation depends on its inception phase. The beneficiaries will receive project support on elaboration of the national Action Plans for implementation during the contract's extension (they'll be designed under ownership of each country on the basis of the Road Map).</p>	



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<b>Output results</b>	<b>Comments on deviation from the original plan</b>	<b>Reason for deviation</b>	<b>Comments on constraints and assumptions</b>	
<b>4: Technical Assistance to Regulatory Adjustments</b>				
✓ Assessment of maritime and intermodal legislation and environment relevant to Action Plans	<b>INDICATOR ACHIEVED, NO DEVIATION</b> The provisions were incorporated in all Action Plans  The recommendations of the EU TRACECA SASEPOL I project for MoS part were considered  Report on the Western Part of TRACECA - 04/2012 (covering MOS part), Part II published in October 2012 and Part III (updating MOS parts and logistics aspects) in 10/2013, published in 01/2014	NA	Legal mechanisms allow for prompt changes and counterpart staff remains committed to the implementation of the recommendations – this assumption held true especially in relation to a single window implementation in Georgia and Ukraine, the implementation of legal changes in Central Asia was less rapid. TRACECA countries are recommended to consider international best practices, rather than invent TRACECA-own solutions, that often do not properly consider internationally recognised rules, and lead to introduction of obscure measures.	
✓ Monitoring mechanism on regulatory adjustments	<b>INDICATOR ACHIEVED, NO DEVIATION</b> Incorporated into the Action Plans.  Incorporated into legal recommendations of the Master Plan  Special Road Map filter for legal / institutional adjustment has been developed, and published within the draft final reporting period  Monitoring function is incorporated into the Road Map	NA	PS counterpart is available for consultations – this assumption held true. PS is recommended to keep the legal database related to norms and legislation applicable to multimodal transportation in the TRACECA countries.  International stakeholders remain interested in the TRACECA region – this assumption held true especially in regards to the Black Sea, Caucasus and Kazakhstan.	



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<b>Planning period:</b> 27 April 2011 – 26 September 2014	<b>Updated on:</b> 26 September 2014	EC Contractor: Egis International / Dornier Consulting		
Output results	Comments on deviation from the original plan	Reason for deviation	Comments on constraints and assumptions	
✓ Tailored training on ad hoc basis for pilot project stakeholders	<b>INDICATOR ACHIEVED, NO DEVIATION</b> Landlord port model training Brussels 02/2012  Training on intermodal transport & customs trade facilitation / 04/2012 / Azerbaijan  Study tour on logistics and motorways of the Sea concepts / 06/2012 / Turkey  Workshop intermodal transport & customs trade facilitation / 11/2012 / Moldova  Interactive trainings on applied logistics (Module A), maritime management (Module B), transport economics (Module C) / 04/2013 / Georgia  Training logistics networks & best practices in modal split 06/2013 – during study tour to Germany and Belgium  Second regional study tour / 06/2013 / Antwerp and Duisburg  A dedicated session on legal adjustments proposed by the Master Plan in 11/2013, Tbilisi	NA		
<b>5: Communication, Information, Awareness</b>				
✓ Communication, dissemination & awareness plan / media strategy framework	<b>INDICATOR ACHIEVED, NO DEVIATION</b> Prepared and delivered during the inception phase 05/2013, and 07/2013	NA	Counterpart staff is available for consultations and participation at events – this assumption held true, but the times of stakeholder responses were overwhelmingly long, sometimes stakeholders have changed the composition of	




## Logistics Processes and Motorways of the Sea II

<b>Project title:</b> LOGMOS	<b>Project number:</b> 2011/264459	Beneficiary countries: Direct: Armenia, Azerbaijan, Republic of Moldova, Ukraine and Georgia, Kazakhstan, Kyrgyzstan, Uzbekistan, Tajikistan and Turkmenistan; Indirect: Bulgaria, Romania, Turkey		Number of Pages: 17
<b>Planning period:</b> 27 April 2011 – 26 September 2014	<b>Updated on:</b> 26 September 2014	EC Contractor: Egis International / Dornier Consulting		
Output results	Comments on deviation from the original plan	Reason for deviation	Comments on constraints and assumptions	
✓ Web portal based on TRACECA site launched in the inception phase and updated minimum once a month	<b>INDICATOR ACHIEVED, NO DEVIATION</b> Project webpage launched in June 2011 Prepared, regularly updated (once per two weeks or ad hoc)	NA	their delegations on a short-notice. Such incidences have distracted project to deal with consequences of such deviations. During the inception phase it was decided to introduce a process of participant pre-selection. For this purpose the project team has communicated the profiles of the experts whose attendance where necessary for a meeting/event. Initially, the exact expert names were suggested. Still, in some countries suggesting a specific name may conflict with the established procedure for delegation of an expert to an event. Therefore, the extended profiles were pursued in the future. The procedure was improved further starting from the end of 2013, in view of the preparation of the LOGMOS training on maritime shipping, logistics and transport economics. A gradual process for training stakeholder selection was introduced (submission of application form, statement of purpose and a CV). The complete application forms were evaluated and short-listed candidates with excellent match to a profile were invited and a full-coverage of their participation costs was approved. The participants who did not fully comply with requirements, could participate in the meetings if they bear their travel and accommodation costs (mainly private sector) This process of candidate selection is recommended to continue in the future.  As far as TRACECA webpage is concerned, the dissemination activity has been shaped / influenced by the format provided by the Permanent Secretariat (e.g. no possibility to publish project news without a prior approval of the PS, limitations in templates used for it).	
✓ Dissemination materials prepared every six months to all TRACECA beneficiaries	<b>INDICATOR ACHIEVED, NO DEVIATION</b> Project reports issued in accordance with the schedule (Inception report – 07/2011; Progress report 1 – 10/2011; Progress report 2 – 04/2012; Progress report 3 – 10/2012, approved in 12/2012; Progress report 4 – 04/2013 – approved in 08/2013; Progress report 5 – 10/2013); Draft final report – initial issue of 2/2014 – was converted in Progress Report 6 (and updated with activities of 03-04/2014). Promotion materials designed (brochures, memory stick cards, calendars, leaflets, stationary, press releases, posters, certificates of training attendance, training materials, presentations, newsletters, studies, reports, etc.) Set of promotion materials – 08-09/2012 Set of promotion materials – 10/2012- 04/2013 (training) Study tour promotion materials – 05-06/2013 Set of clickable maps and map posters – 11/2014	NA		





### Logistics Processes and Motorways of the Sea II

<b>Project title:</b> LOGMOS	<b>Project number:</b> 2011/264459	Beneficiary countries: Direct: Armenia, Azerbaijan, Republic of Moldova, Ukraine and Georgia, Kazakhstan, Kyrgyzstan, Uzbekistan, Tajikistan and Turkmenistan; Indirect: Bulgaria, Romania, Turkey		Number of Pages: 17
<b>Planning period:</b> 27 April 2011 – 26 September 2014	<b>Updated on:</b> 26 September 2014	EC Contractor: Egis International / Dornier Consulting		
Output results	Comments on deviation from the original plan	Reason for deviation	Comments on constraints and assumptions	
 Cooperation platform meetings / round tables of project owners in countries and bilateral held – at least twice (every six months)	<b>ACHIEVED AT GREATER SCALE</b> Cooperation platform meetings 11 conferences (04 - 10/2011) and two conferences (11/2011 – 04/2012) and three conferences (05/2012 – 10/2012). Including a cooperation meeting with project stakeholders in Turkmenistan 05/2012 Four Round tables and working group meetings (04 - 10/2011) Seven round tables & working group meetings (11/2011 – 04/2012) Two round tables and two working groups in 05/2012 – 10/2012 Round tables in Kazakhstan (01/2013), Azerbaijan (03/2013), Ukraine (03/2013), Georgia (04/2013) and Armenia (04/2013) Master Plan Workshop 06/2013; Master Plan presentation 09/2013, Master Plan workshop LOGMOS Panel Session within Multimodal Transport Conference in Odessa 10/13	NA	Beneficiaries respond to contractor's requests and suggestions – the feedback of the beneficiaries in terms of confirmation on their participation has been extremely long in the beginning of the Project, the situation has improved with introduction of a participant pre-selection process.  Counterparts remain committed to implementation and they assist in organisation of meetings in their respective countries – this assumption held true.	






## Logistics Processes and Motorways of the Sea II

<b>Project title:</b> LOGMOS	<b>Project number:</b> 2011/264459	Beneficiary countries: Direct: Armenia, Azerbaijan, Republic of Moldova, Ukraine and Georgia, Kazakhstan, Kyrgyzstan, Uzbekistan, Tajikistan and Turkmenistan; Indirect: Bulgaria, Romania, Turkey		Number of Pages: 17
<b>Planning period:</b> 27 April 2011 – 26 September 2014	<b>Updated on:</b> 26 September 2014	EC Contractor: Egis International / Dornier Consulting		
Output results	Comments on deviation from the original plan	Reason for deviation	Comments on constraints and assumptions	
 Five project regional meetings for the countries of Black Sea and Central Asia	<b>ACHIEVED AT GREATER SCALE</b> Black Sea Regional Meeting No. 1 07/2011 Caucasus, Caspian Sea and Central Asia regional meeting No.2 10/2011 TRACECA regional meeting No.3 02/2012 in Brussels Regional meeting No.4 during the study tour in Turkey in 06/2012 Regional meeting No.5 on Caspian Ro-Ro & Silk Wind Block Train in Kazakhstan 07/2012 Regional meeting No.6 11/ 2012 in Chisinau on pilot projects Regional technical workshop 06/2013 during a Study Tour – devoted to Draft Master Plan progress Regional meeting No. 7 as a technical workshop on the Master Plan findings in Tbilisi, November 2013	Need for public consultations  Encouraging stakeholder participation		
 Two study tours on MoS and Logistics for all TRACECA countries	<b>INDICATOR ACHIEVED, NO DEVIATION</b> 1st study tour – 06/2012 - Turkey 2nd study tour – 06/2013 - Germany & Belgium	NA		



## Logistics Processes and Motorways of the Sea II

<b>Project title:</b> LOGMOS	<b>Project number:</b> 2011/264459	Beneficiary countries: Direct: Armenia, Azerbaijan, Republic of Moldova, Ukraine and Georgia, Kazakhstan, Kyrgyzstan, Uzbekistan, Tajikistan and Turkmenistan; Indirect: Bulgaria, Romania, Turkey		Number of Pages: 17
<b>Planning period:</b> 27 April 2011 – 26 September 2014	<b>Updated on:</b> 26 September 2014	EC Contractor: Egis International / Dornier Consulting		
Output results	Comments on deviation from the original plan	Reason for deviation	Comments on constraints and assumptions	
 Four training measures (on ad hoc basis) in working groups	<b>INDICATOR ACHIEVED AT GREATER SCALE</b> Land lord port model training Brussels 02/2012  Block train operation, customs facilitation and containerisation trends workshop, Baku 04/2012  Training on logistics and MOS subjects – dedicated trade facilitation and CIM / SMGS during the study tour 06/2012 / Turkey  Trade facilitation workshop Moldova 11/2012  Tailored interactive trainings in applied logistics (Module A), maritime management (Module B) and transport economics (Module C) Tbilisi 04/2013  Training on logistics networking and best practices in the modal split in 06/2013 – study tour Germany and Belgium	Trainings of trade facilitation were organised in addition to purely logistics and MoS subjects. These trade facilitation subjects were linked to best practice logistics processes organisation.		
 Final project event (1 event)	Organised in 04/2014 in Tbilisi	NA		
<b>Result A: Promotion of the LOGMOS Master Plan after the final event and analysis of its possible implementation in main beneficiary countries</b>				
 Presentation of the Master Plan on Astana Economic Forum 2014	No deviation  Presented in May 2014	NA	Availability and participation of the counterpart staff	
<b>Result B: Elaboration of country-wise Action Plans for Master Plan implementation in countries: Master Plan prepared for endorsement at the political level</b>				



## Logistics Processes and Motorways of the Sea II

<b>Project title:</b> LOGMOS	<b>Project number:</b> 2011/264459	Beneficiary countries: Direct: Armenia, Azerbaijan, Republic of Moldova, Ukraine and Georgia, Kazakhstan, Kyrgyzstan, Uzbekistan, Tajikistan and Turkmenistan; Indirect: Bulgaria, Romania, Turkey		Number of Pages: 17
<b>Planning period:</b> 27 April 2011 – 26 September 2014	<b>Updated on:</b> 26 September 2014	EC Contractor: Egis International / Dornier Consulting		
Output results	Comments on deviation from the original plan	Reason for deviation	Comments on constraints and assumptions	
Missions to countries and round tables	KAZ, UA – May 2014 AZ, TAJ, UA – June 2014 UA, AM, GE– July 2014 KG the mission did not take place because of limited availability of stakeholders, –inputs to Action Plans provided by electronic communication. Mission to UZ was optional, the project team worked on its organisation, but because of a gap in coordination of TRACECA activities occurred after the death of the former National Secretary and before the appointment of the new National Secretary did not take place during the project life-time,	NA	Availability and participation of the counterpart staff Favourable regional relations between countries Countries remain committed to the results of the previous projects Stakeholders are willing to cooperate under the format of a task force and remain active in implementation of the results IFIs' strategies fit Master Plan objectives Country governmental policies allow for IFI funding and loans remain a possible instrument of public investments Investment forums and IGC are organised	
✓ Routine coordination	No deviation Organised via experts based in countries and by other regular communication means (email, telephone) with all countries Feedback received and incorporated	NA	Policies are favourable to implementation Decision making process is consistent and adequate Stakeholders at the national level realise the potential of the network and understand the winning results from participation	



## Logistics Processes and Motorways of the Sea II

<b>Project title:</b> LOGMOS	<b>Project number:</b> 2011/264459	Beneficiary countries: Direct: Armenia, Azerbaijan, Republic of Moldova, Ukraine and Georgia, Kazakhstan, Kyrgyzstan, Uzbekistan, Tajikistan and Turkmenistan; Indirect: Bulgaria, Romania, Turkey		Number of Pages: 17
<b>Planning period:</b> 27 April 2011 – 26 September 2014	<b>Updated on:</b> 26 September 2014	EC Contractor: Egis International / Dornier Consulting		
Output results	Comments on deviation from the original plan	Reason for deviation	Comments on constraints and assumptions	
✓ Country Action Plans	No deviation for KAZ, KG, TAJ, GE, AZ, AM, UA, MD + update of the UZ Road Map (positive deviation, as the Action Plan for UZ was an optional task)	NA  (the full-fledged Action Plan for UZ was not completed as an optional task because communication was interrupted due to NS death in August 2014)		
<b>Result C: Support to IDEA II project in formation of the multimodal experts group and preparation of Master Plan political endorsement</b>				
✓ Coordination with IDEA II on concept of the multimodal expert group in view of LOGMOS inputs	No deviation, inputs provided in May 2014 TOR updated in September 2014	NA	Availability and participation of the counterpart staff Favourable regional relations between countries Countries remain committed to the results of the previous projects	
✓ Mobilisation of stakeholders	Stakeholders were informed on their nomination and possible involvement in the multimodal expert group	NA	Stakeholders are willing to cooperate under the format of a task force and remain active in implementation of the results  Investment forums and IGC are organised	



## Logistics Processes and Motorways of the Sea II

<b>Project title:</b> LOGMOS	<b>Project number:</b> 2011/264459	Beneficiary countries: Direct: Armenia, Azerbaijan, Republic of Moldova, Ukraine and Georgia, Kazakhstan, Kyrgyzstan, Uzbekistan, Tajikistan and Turkmenistan; Indirect: Bulgaria, Romania, Turkey		Number of Pages: 17
<b>Planning period:</b> 27 April 2011 – 26 September 2014	<b>Updated on:</b> 26 September 2014	EC Contractor: Egis International / Dornier Consulting		
Output results	Comments on deviation from the original plan	Reason for deviation	Comments on constraints and assumptions	
✓ Inputs for multimodal expert groups	<p>Action Plan of countries contain agenda items for the multimodal expert group</p> <p>Initially, the presentations were envisaged to take place during the meetings of the multimodal expert group. The multimodal expert group is currently being formed and did not meet during the extension period of the EU-funded LOGMOS project. Therefore, the extended presentation delivered at the coordination meeting Brussels in September 2014, was handed over to the team of EU-funded IDEA II project for inter alia possible use during the multimodal expert group meetings.</p> <p>The updated excel model of the road map, with information on recommendations implementation will be handed over upon approval of the Action Plans to the team of IDEA II, and the PS IGC TRACECA.</p>	NA	<p>Policies are favourable to implementation</p> <p>Decision making process is consistent and adequate</p> <p>Stakeholders at the national level realise the potential of the network and understand the winning results from participation</p> <p>Mobilisation of the multimodal expert group within the Project extension time</p>	



### Table 5: Overall Report on Operations



**TRACECA**  
TRANSPORT CORRIDOR EUROPE-CASPIAN-ASIA



## Logistics Processes and Motorways of the Sea II

Project title: LOGMOS				Project number: 2011/264459				Beneficiary countries: Direct: Armenia, Azerbaijan, Republic of Moldova, Ukraine and Georgia, Kazakhstan, Kyrgyzstan, Uzbekistan, Tajikistan and Turkmenistan Indirect: Bulgaria, Romania, Turkey																				Number of Pages: 5																	
Reporting Period: 27 April 2011 – 26 September 2014				Prepared on: 27 October 2011 Updated on: 26 September 2014				EC Contractor: Egis International / Dornier Consulting																																					
Project objective: Contribute to the long-term sustainable development of the logistics infrastructure and multimodal transport along the TRACECA corridor.																																													
	MAIN ACTIVITIES			TIME FRAME																								INPUTS																	
	year			2011						2012						2013						2014						PERSONNEL (man/days)		OTHER															
Calendar month				5	6	7	8	9	10	11	12	1	2	3	4	5	6	7	8	9	10	11	12	1	2	3	4	5	6	7	8	9	10	11	12	1-4	5	6	7	8	9	Key Experts	Non key experts	–	
Implementation month				1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24	25	26	27	28	29	30	31	32	33-36	37	35	36	37	38				
1B	Hinterland dimension/MOS						x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x										
a	Working groups						x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x										
b	Case studies														x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x														
2A	Regional ILC networks			x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x										
a	WG log. processes						x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x										
b	Core network/hubs						x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x										
c	Logistics Network														x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x										
d	Study tours/trainings														x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x													
B	ILCs																			x	x	x	x	x	x	x	x	x	x	x	x	x	x	x											
a	Network Interfaces																			x	x	x	x	x	x	x	x	x	x	x	x	x	x	x											
b	Synergies ILC																			x	x	x	x	x	x	x	x	x	x	x	x	x	x	x											
c	Network modalities																			x	x	x	x	x	x	x	x	x	x	x	x	x	x	x											



## Logistics Processes and Motorways of the Sea II

Project title: LOGMOS				Project number: 2011/264459				Beneficiary countries: Direct: Armenia, Azerbaijan, Republic of Moldova, Ukraine and Georgia, Kazakhstan, Kyrgyzstan, Uzbekistan, Tajikistan and Turkmenistan Indirect: Bulgaria, Romania, Turkey																				Number of Pages: 5																
Reporting Period: 27 April 2011 – 26 September 2014				Prepared on: 27 October 2011 Updated on: 26 September 2014				EC Contractor: Egis International / Dornier Consulting																																				
Project objective: Contribute to the long–term sustainable development of the logistics infrastructure and multimodal transport along the TRACECA corridor.																																												
	MAIN ACTIVITIES		TIME FRAME																								INPUTS																	
	year		2011						2012								2013								2014						PERSONNEL (man/days)		OTHER											
Calendar month			5	6	7	8	9	10	11	12	1	2	3	4	5	6	7	8	9	10	11	12	1	2	3	4	5	6	7	8	9	10	11	12	1-4	5	6	7	8	9	Key Experts	Non key experts	–	
Implementation month			1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24	25	26	27	28	29	30	31	32	33-36	37	35	36	37	38				
d	Follow – up of feasibility studies																			x	x	x	x	x	x	x	x	x	x	x	x	x	x	x										
e	Stakeholder Dialogue																			x	x	x	x	x	x	x	x	x	x	x	x	x	x	x										
3	Master Plan													x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x										
a	Guidelines													x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x									
b	Case studies													x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x												
c	TA funding													x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x									
4	TA to Regulatory Adjustments							x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x									
a	Case study related assessments							x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x									
b	Trainings, seminars							x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x													
c	Monitoring							x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x									
5	Communication & Awareness		x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x										



## Logistics Processes and Motorways of the Sea II

Project title: LOGMOS				Project number: 2011/264459				Beneficiary countries: Direct: Armenia, Azerbaijan, Republic of Moldova, Ukraine and Georgia, Kazakhstan, Kyrgyzstan, Uzbekistan, Tajikistan and Turkmenistan Indirect: Bulgaria, Romania, Turkey																		Number of Pages: 5																		
Reporting Period: 27 April 2011 – 26 September 2014				Prepared on: 27 October 2011 Updated on: 26 September 2014				EC Contractor: Egis International / Dornier Consulting																																				
Project objective: Contribute to the long-term sustainable development of the logistics infrastructure and multimodal transport along the TRACECA corridor.																																												
	MAIN ACTIVITIES		TIME FRAME																								INPUTS																	
	year		2011						2012						2013						2014						PERSONNEL (man/days)		OTHER															
Calendar month			5	6	7	8	9	10	11	12	1	2	3	4	5	6	7	8	9	10	11	12	1	2	3	4	5	6	7	8	9	10	11	12	1-4	5	6	7	8	9	Key Experts	Non key experts	–	
Implementation month			1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24	25	26	27	28	29	30	31	32	33-36	37	35	36	37	38				
a	Dissemination and awareness plan		x	x	x																																							
b	Work w/ENPI Info		x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x										
c	TRACECA site		x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x										
d	Meetings of project owners		x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x									
e	Final dissemination		x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x										
f	Study tours													x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x													
g	Capacity building														x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x														
h	Support in (TIF)				x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x											
Assignment for the extension period / May –September 2014																																												
A	Promotion of the LOGMOS Master Plan																										x																	
A1	Presentation of the LOGMOS Master Plan at Astana Forum (KZ) in May 2014																										x																	
B	B. Elaboration of country-wise Action Plans for Master Plan implementation in countries (direct beneficiaries, except Turkmenistan )																										x	x	x	x	x	x												
B1	Mission to major countries and organisation of the round tables, technical discussions																										x	x	x	x	x	x												



## Logistics Processes and Motorways of the Sea II

<b>Project title:</b> LOGMOS				<b>Project number:</b> 2011/264459				<b>Beneficiary countries:</b> Direct: Armenia, Azerbaijan, Republic of Moldova, Ukraine and Georgia, Kazakhstan, Kyrgyzstan, Uzbekistan, Tajikistan and Turkmenistan Indirect: Bulgaria, Romania, Turkey																				Number of Pages: 5																	
<b>Reporting Period:</b> 27 April 2011 – 26 September 2014				Prepared on: 27 October 2011 Updated on: 26 September 2014				<b>EC Contractor:</b> Egis International / Dornier Consulting																																					
<b>Project objective:</b> Contribute to the long-term sustainable development of the logistics infrastructure and multimodal transport along the TRACECA corridor.																																													
	MAIN ACTIVITIES			TIME FRAME																										INPUTS															
	year			2011						2012						2013						2014						PERSONNEL (man/days)		OTHER															
Calendar month				5	6	7	8	9	10	11	12	1	2	3	4	5	6	7	8	9	10	11	12	1	2	3	4	5	6	7	8	9	10	11	12	1-4	5	6	7	8	9	Key Experts	Non key experts	–	
Implementation month				1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24	25	26	27	28	29	30	31	32	33-36	37	35	36	37	38				
B2	Coordination with the stakeholders in countries																					x	x	x	x	x																			
C	Support to IDEA II project in formation of the multimodal expert group and preparation of MP political endorsement																																												
C1	Coordination with IDEA II on concept of the multimodal expert group in view of LOGMOS inputs																					x	x	x	x	x																			
C2	Mobilisation of stakeholders																					x	x	x	x	x																			
C3	Inputs for multimodal expert groups																						x	x	x	x																			
														TOTAL														TL 700 KE 2 685 KE 3 692						SE1058 JE1500											



Logistics Processes and Motorways of the Sea II

**Table 6: Resource Utilisation Report**

<b>Project title:</b> LOGMOS Logistics Processes and Motorways of the Sea II	<b>Project number:</b> 2011/264459		<b>Beneficiary countries:</b> Direct: Armenia, Azerbaijan, Republic of Moldova, Ukraine, Georgia, Kazakhstan, Kyrgyzstan, Uzbekistan, Tajikistan and Turkmenistan Indirect: Bulgaria, Romania, Turkey		Number of Pages: 1
<b>Planning period:</b> 27 April 2011 – 26 September 2014	<b>Prepared on:</b> 27 April 2014 Updated on: 26 September 2014		<b>EC Contractor : Egis International / Dornier Consulting</b>		
<b>Project objective:</b> The overall objective of the current project is to contribute to the long–term sustainable development of the logistics infrastructure and multimodal transport along the TRACECA corridor.					
<b>RESOURCES/INPUTS</b>	<b>TOTAL PLANNED April 2011-April 2014</b>	<b>ADDENDUM May 2014- September 2014</b>	<b>TOTAL PLANNED</b>	<b>PERIOD REALISED</b>	<b>TOTAL RESOURCES/INPUTS RELEASED</b>
PERSONNEL					
Team Leader	660 MD	40 MD	700 MD	42	700
Key Expert II	660 MD	25 MD	685 MD	25	685
Key Expert III	660 MD	32 MD	692 MD	38	692
Senior Short Term Experts	1041 MD	17 MD	1058 MD	18	1058
Junior Short Term Experts	1500 MD	-	1500 MD	38	1500
OTHER (%)	For incidentals – see expenditure verification reports				



## 6 IMPACT ASSESSMENT, LESSONS LEARNED AND RECOMMENDATIONS

### 6.1 Impact Assessment



The ROM ENPI has recommended that the LOGMOS Project prepare a simplified impact assessment report on performance after three years of implementation. This chapter realises the ROM ENPI recommendations. The chapter starts with impact assessment considerations, and then it presents the lessons learned and outlines a number of recommendations for the future.

Technical assistance by means of LOGMOS was viewed as an instrument to enhance recipients' technical efficiency through transfer of knowledge on modern logistics processes, motorways of the sea and their practical applicability to TRACECA.

The Project Team considers their work in the following six domains to be of most striking importance in delivery of its main output – an integrated Logistics and Motorways of the Sea Master Plan for TRACECA beneficiary countries:

- (1) Communications
- (2) Capacity Building
- (3) Involvement of TRACECA young generation
- (4) Transit and logistics functions
- (5) Intermodality and containerisation
- (6) EU Delegations

#### (1) Communication

The LOGMOS Project contributed to overall improvement of **communication** at national, bilateral and regional levels between:

- public stakeholders and;
- public and private sector stakeholders.

This has been achieved by the following actions:

- meetings conducted during the missions to beneficiary countries;
- round tables organised with participation of multidisciplinary stakeholders involved in implementation of projects;
- workshops and seminars organised by the LOGMOS Projects;
- tailored study tours dedicated to logistics and maritime transport;
- international conferences; or



- external events where the LOGMOS Project Team took part.

## (2) Capacity Building

Background: The project has had an effective **capacity-building** function through seminars, working group meetings, study tours or trainings. The training measures were carefully designed and planned. Training needs were identified in daily project work and through stakeholder communication. This related on a business case level to awareness of modern logistics concepts and business strategies related to establishment of vital supply chains and transport links. On the policy level, the most pressing issues for capacity building included introduction of best practices for governmental support to the logistics sector, promotion of trade facilitation, stakeholder consultation in development of logistics projects and establishment of port community systems.

The Project Team has addressed these capacity building measures in their daily work as part of ad hoc training of counterpart staff. In addition to this measure, several series of dedicated workshops have been organised with participation of leading international stakeholders in each particular field. Contacts and partnership with major international and European stakeholders were facilitated throughout the Project. Tailored training in trade facilitation, multimodal logistics, maritime economics, shipping policies and economic analysis in the transport sector have been organised. Professors and lecturers from top European universities and research institutes were invited to conduct training courses. The LOGMOS Project has trained more than 700 stakeholders comprising a cohort of public and private actors in the TRACECA corridor.

Impact indicators: These training measures have both immediate and long-term effects including:

- Stakeholder awareness of modern concepts in logistics and transport both on policy and transport market development levels;

For example, during the study tour to Antwerp customs operations in ports were discussed in detail. Special attention was paid to the best examples of free practice. The representatives of Ukraine (Odessa) exchanged information with Belgian customs and included improvement measures in their agenda. Recommendations to improve free practice in vessel clearance were also included into the LOGMOS Master Plan.

- Immediate clarification of subjects of stakeholder concern and consideration of best practices that could be applied in TRACECA countries.

The reliability of transport chains may be enhanced by improvements to internal logistics procedures that do not require a change of legislation but only changes in the internal processes of logistics enterprises. For instance, by introducing means of electronic communication to the logistics chain the Committee for Black Sea Rail-Ferry Operations has improved internal communication, information about cargo flows, and hence readiness of operations before actual arrival of a vessel.

- Networking of stakeholders, both from various regions and between entities within one country, and initiating dialogue between them, involving establishment of long-term partnerships and direct communication links between TRACECA stakeholders.

This factor was one of the most decisive in development of the Silk Wind Initiative, when stakeholders directly involved could discuss and agree on the technical aspects of the next steps to be taken in their countries.

- Willingness of stakeholders to participate in and contribute to the achievement of Project results, once they are involved in the Project's work and their concerns are addressed during training.

The stakeholder institutions which took part in the training were more committed in provision of comments and active contributions to the Project Team's analytical work. Their feedback was more targeted and responsive to project goals, as they have been given a solid comprehension of logistics processes during training and capacity building measures.

- Training multiplier effect, and willingness of the trained stakeholders to share their knowledge in their respective institutions and entities.

This especially concerns the trained members of logistics and professional transport associations. The associations of freight forwarders and association of business logistics in Uzbekistan have organised a number of internal training sessions using LOGMOS materials. The association of logistics in Georgia has been actively involved in establishment of the Supply Chain Council in Georgia, and is working to promote sustainable transport concepts in this country.

- Development of multimodal transport, establishment of new container transportation concepts, facilitation to containerisation on policy level are observed in the region.

This related to emerging container transportation on the Dnepr, and containerisation of bulk goods such as grain. In addition, logistics concepts started to appear in the national policies of TRACECA countries. Positive effects of awareness and capacity building of state institutions include the Logistics Strategy of Kazakhstan and Georgia's intention to elaborate a comprehensive logistics strategy and improve green logistics performance with the IFI support.

In general, the participants in LOGMOS training constitute a cohort of committed professionals whose experience, knowledge and ownership could be further utilised for development of the TRACECA corridors. This has been already initiated in cooperation of LOGMOS and IDEA II project with a view to the future formation of expert groups.

### (3) Involvement of TRACECA Young Generation

A very important development in this capacity building domain was the involvement of a **young "TRACECA generation"** from public and private sectors and universities. The young generation is interested in modern logistics and efficient shipping strategies. This new wave listens to and eagerly discusses recommendations and proposals made by the Project. More importantly it is open to the implementation of best practices developed elsewhere. Contact details for the most active trained stakeholders were provided to the IDEA II project to ensure due follow-up actions based on continuity and enhancement of institutional memory.

**Figure 6: Discussion of the Case Study with Trainers during the Logistics Training in Tbilisi (left); Group Discussion of the Shipping Case Log at Maritime Economics Training (right), April 2013**





#### **(4) Transit and Logistics Functions**

The activities of the Project resulted in increased awareness of the countries about the benefits they can reap from their **transit and logistics functions**:

- For generation of resources which support the development of the national transport infrastructure;
- To boost the volume and to increase diversity and cost-effectiveness of each country's domestic and international trade;
- For provision of skilled jobs in the industry and service sectors;
- For rapid modernisation and standardization of public sector working procedures, corresponding administrative regulations, an institutional legal framework and a more efficient deployment of human resources.

The analytical work of the Project was included into major TRACECA countries' national policies and plans related to improvement of the logistics sector in the region. These entail:

- inclusion of the logistics hub Marculesti into national transport logistics strategy in Moldova;
- inclusion of the recommendations of the Dnepr logistics potential into the strategy of the National Ukrainian shipping company;
- acceptance by the Ministry of Infrastructure of Ukraine of the Project's Ukraine Transit Potential study;
- high level political consideration of the Silk Wind Project in Kazakhstan, Georgia and Azerbaijan;
- promotion of a logistics centre at Zvartnots by the Armenian Government, and its inclusion into the state development strategy;
- state support and inclusion of a logistics centre at Nizhniy Pyandj into priority projects in Tajikistan;
- comprehensive support to the provisions the LOGMOS Master Plan by TRACECA countries expressed by the 10th IGC meeting in Dushanbe in September 2013.

#### **(5) Intermodality and containerisation**

There is an observable increased awareness in TRACECA countries about the benefits of intermodality and containerisation for trade, in particular about the flexibility they jointly offer to swiftly adapt and better match market changes.

Development of multimodal transport, establishment of new container transportation concepts and facilitation to containerisation are observed in the region. However, these measures are scattered and unconnected; the Master Plan addresses the need for cooperative action.

#### **(6) EU Delegations**

Throughout the life of the Project, the EU Delegations have been valuable sources of reliable information. Their participation in regional events organized by the Project added value which has been recognised by all stakeholders. They were seen as important counterparts by the participants who could observe the EU commitment to support multimodal transport development in TRACECA. During these meetings the Delegations also had an opportunity to encourage countries to strengthen their regional cooperation in general and within the framework of TRACECA (more particularly with the support of EU-funded TA Projects).



## 6.2 Lessons Learned

Lessons learned comprise a combination of experiences related to project implementation and project context levels. Sometimes the distinction between the two levels is rather vague, so that former is a derivative of the latter.

**Project implementation level** of the lessons learned comprises the following:

1. Essence of stakeholder involvement at early stages of project planning;
2. Applicability of the Project design to changing environment;
3. Misleading perception by some stakeholders that EU technical assistance projects are to be followed by the EU-funding;
4. Efficiency of task forces.

### (1) Stakeholder cooperation at early stages

The methodology developed by the Project Team and progress of implementation have been presented in detail to stakeholders at all stages, starting at the inception phase. Emphasis has been repeatedly laid on multilateral cooperation, the regional dimension and a corridor approach of LOGMOS. However, institutional and public stakeholders at national level often expect regional projects to result in direct benefits or competitive advantage for their own country.

In this respect, some of them try to incite Project Teams to work on subjects more directly related to their own national transport policy. In many incidences these country objectives may not immediately be relevant in a corridor perspective. In other cases the Project Team simply has neither the resources nor even the mandate to address them (e.g. changes in legislation, implementation effort by stakeholders). Because of this, some beneficiaries may thus get a biased impression that the Project is not paying enough attention to them.

To avoid such situations, all additional tasks requested by countries were duly discussed with the Programme Management of the European Commission. Only such assignments that were of regional character were undertaken upon approval of the European Commission.

For future projects, there is thus a need to organise active communication between the EC, Ministries responsible for transport, agencies deemed to be involved in implementation, the TRACECA PS and TRACECA National Secretaries at an early stage during the elaboration of the ToR. This would help to assure that relevant and comprehensive information is disseminated among the stakeholders about the Projects as well as the goals they are meant to achieve before they are launched. This will allow the Project Teams to mobilize stakeholders at the implementation phase and get them focused on their actual tasks and duties envisaged by the ToR. Such pre-project awareness about the tasks and activities of a planned project could help to obtain better support and commitment of future project owners at the implementation phase.

### (2) Project design in changing environment

Some beneficiaries expect a high degree of flexibility of the technical assistance contracts and assume the ToR to be adjusted quickly to suit a changing project environment. During implementation of the LOGMOS contract, all activities were planned with a view to ensuring targeted and responsive technical assistance within the assigned mandate.

On one hand the Project was supposed to target the MoS, their hinterland connections and a network of ILCs encompassing the whole TRACECA region, but on another hand the ToRs required the Project to produce a MoS Master Plan only. This controversy was mitigated by the provision of a comprehensive LOGMOS Master Plan in consultation with the Programme Management, so that both logistics and MoS subjects are addressed on the Master Plan level (this proposal was made in the methodology proposed by the Team).



Another area, coordinated with the European Commission, related to the assessment of the maritime and intermodal legislation in all the TRACECA region countries to “identify strengths and weaknesses compared to international and EU standards”. During the inception phase, following requirements of the stakeholders and consultations with the Programme Management, a practical approach was adopted for legal measures that directly tackle implementation of the LOGMOS pilot projects; they were addressed in full detail.

In the corridor perspective the Project focused on the identification of “missing institutional, legal and regulatory links” especially those allowing soft border-crossing, clearance and transit, connected mostly with Port Community, Single Window and Pre-Declaration systems, the Economic Operator concept, EDI, Digital Signature and Electronic Payments. The two-fold aim of such measures was to ensure a decrease in human contact and therefore in dignity issues; and to allow reduced delays and costs of all kinds. Recommendations were issued accordingly.

Wherever achievable in the short/mid-term the implementation of the EU and international best practices was proposed as a target. The beneficiaries appreciated this targeted approach to legal improvements. This was one of the examples of positive lessons learned, when a recognition of a drawback at early stages successfully called for a corrected action and allowed improve responsiveness of the EU Technical Assistance.

### **(3) Perception that projects should tackle infrastructural improvement vs. soft-measures**

LOGMOS is a successor to three other EU-funded TRACECA projects which encompassed the set-up of International Logistics Centres in all beneficiary countries and Motorways of the Sea through the Black and Caspian Seas. LOGMOS focuses on the **interconnection between the countries** resulting in the establishment of a regional transport network along the same lines as the EU TEN-T.

The Terms of Reference require the Project to concentrate on soft measures inducing mobility and optimising logistics processes. Smooth but dynamic operation of the existing (and/or planned) infrastructure is therefore more relevant for the Project than the volume or quality of this infrastructure. This could not have met the expectations of some beneficiaries that would have preferred the Project to concentrate on infrastructural links.

Obviously missing transport links and nodes are identified and addressed in the Master Plan but, to some extent, in the corridor perspective they are of less importance than the quick and actual enforcement of efficient procedures enabling the flow of the trade in a seamless and predictable way. As a result – and also because LOGMOS is only a TA project – attention is paid to specific national infrastructure projects inasmuch as they directly serve corridor purposes. Priority is given to soft measures (e.g. border-crossing procedures, EDI between Customs Houses, use of a common CIM-SMGS rail bill throughout the corridor, etc.).

### **(4) Project task forces**

In the opinion of the Project Team, task forces of stakeholders formed for specific project tasks need three main conditions to function efficiently:

- A declared political will and action; or at least strong political support at national and/or multilateral level, underpinning the Project’s endeavours directly or indirectly. Examples include Kazakhstan’s promotion of the transit function, implementation of a Single Window System and revival of the transit function in Ukraine; and various measures for facilitating trade in Georgia.
- Constant monitoring of the working group by the Project Team (having available resources for that).
- Access to the key decision-makers.



**Policy environment and political context level** of the lessons learned entail:

**(1) Difference in quality, readiness and maturity of logistics capabilities between TRACECA countries**

For some countries which still lag behind in terms of infrastructure, incorporation of MoS into the approach may not meet their expectations and fit with their priorities. This applies especially in Central Asia, where countries are:

- landlocked and situated on the “outskirts” of the TRACECA corridor;
- more focused (at least economically) on non-EU countries (starting with their neighbours, be it Russia, China, Afghanistan or Iran);
- looking for access to open seas closer (and possibly quicker and cheaper) than through the Caspian and Black Seas, and, therefore;
- at least equally interested in the development of both alternative East-West and North-South land corridors.

Some ILC pilot-projects developed during the previous EU-funded Projects, although of great national importance, were not considered as a priority from a LOGMOS perspective since, due to their location and/or purpose, they could not be included in the core TRACECA network.

**(2) Certain political subjects may hinder transport dialogue**

Sometimes decisions at the political level prevail over efficiency of transport connections. Political disagreements between states in the TRACECA region are at times severe enough to prompt a country to build a route bypassing its neighbour, in which case the soft border-crossing procedures and corridor approach become irrelevant.

**(3) Getting public stakeholders more business and result-oriented**

Permanent efforts have to be deployed by the Project to assist public stakeholders to be more business and result-oriented.

- First, there is a need for them to understand that in today’s economic world there are no longer Users but Clients, who are expecting fully-fledged, transparent and efficient transport and logistics services. Whether hard or soft, measures taken by Ministries have to match the needs and demand of the market;
- Second, it is necessary to ceaselessly remind public stakeholders that the choice of a transport corridor ultimately rests with the Client; that there are alternatives to TRACECA; and, last but not least, that many Clients are situated outside TRACECA;
- And finally, the involvement of the private sector in the elaboration of transport projects and the need to establish a permanent dialogue with the business community must be emphasized.

There is some distrust on the side of the public establishment vis-à-vis the private sector in all TRACECA countries. Still, some distinction should be made between global players in the logistics/shipping industry (including foreign ones), which should at least be part of a consultation process and in some cases of the decision-making process, and the “black” economy. This however implies that the public sector itself (governmental agencies and state-owned companies) performs its duties in a completely fair, transparent and accountable manner. Although all countries are striving and some are progressing in this direction, Georgia remains so far the only regional example of a country which reached the goal of eradicating dignity issues.

In most TRACECA countries administrative processes are still very much bureaucratic and centralized. Involvement of local or regional authorities is usually considered useless based on



the fact that they have few financial resources and less skill. In general attitudes are evolving very slowly, except in Ukraine where significant leaps towards decentralization have been made in the port and maritime sectors.

Reform of public agencies in the transport sector, liberalization and implementation of PPPs are proceeding at different speeds in different countries. Again one of the most advanced examples is the port industry in Ukraine. In some countries there is a reverse tendency to strengthen already existing state monopolies which may result in the provision of services of lesser quality, diversity and transparency and represent a barrier to trade. Among many other reasons, this arises out of a lack of knowledge and understanding by civil servants of the role and function of logistics service providers, such as freight forwarders, in the supply chain who are seen as useless (and costly) “intermediaries”. As a result these providers are often working in an environment that is either unregulated or over-regulated. Capacity-building efforts should therefore be made to improve the perception of the logistics industry and its contribution to the wealth and development of a country.

Along the same lines transport professional associations are not playing the role that their counterparts play in the EU for instance – in particular with regard to lobbying. Companies in the same trade consider each other as competitors and very rarely as fellow members. Consequently their participation in associations is rather formal and does not enable those associations to perform efficiently. Information should be disseminated about the benefits members receive from their professional unions in the EU.

### 6.3 Recommendations

In the course of project implementation the Project Team has delivered specific recommendations outlined in various reports, presentations and/or decision-making documents and working group documentation. Often these recommendations have been based on research findings from major project components. These technical recommendations are outlined in the Master Plan for each specific transport mode and for high-level action. In addition, the Road Map details these technical recommendations and relates them to the three layers of the Master Plan: infrastructure / network measures, legal / institutional or market/ operations.

This section summarises cross-cutting recommendations related to the implementation of similar projects in the future and improvement of the sustainability of the technical assistance:

- **Consultations with the beneficiaries at project definition phases**

At the beginning of the programming phase there should be consultations with beneficiaries about major objectives of the Project, as well as incorporation of current needs for technical assistance into the Project ToR. This would help to avoid distortion of European Commission and project resources during the implementation and misunderstanding by beneficiaries of the Project tasks.

- **Research and monitoring role of the TRACECA PS**

The PS is advised to undertake more research and monitoring activities that are entrusted to its organisation by the TRACECA IGC. PS requires support in becoming a transport observatory and taking the lead in monitoring corridor performance. Immediate actions could include creating and maintaining the legislation database of the TRACECA countries; updating the traffic database; and researching modal split statistics, which could be prepared and regularly updated.

- **Continue coordination between the EU-funded projects**

Coordination between the EU-funded projects is seen as a useful tool for improvement of project performances, achieving synergies and efficient planning of project life cycles. Regular coordination is encouraged through weekly updates about project plans between the Project



teams. Coordination telephone conferences with the Project management in Brussels are seen as an advantage and are recommended to take place at least twice a month and on an ad hoc basis where necessary.

- **Achievement of sustainability of training**

Creation of a web platform for training subjects is a positive development for TRACECA. For future Projects the dedicated resources should be envisaged in order to prepare online contents of training programmes (as far as video media is concerned). The platform should stay accessible in the long-run and policies related to content management should respect laws existing at the moment of contract conclusion. It is also recommended to link the training contents at the TRACECA web-page to this special e-learning platform. This could be technically organised by the PS, should the Project be no longer active.

- **Promote implementation of the Master Plan in countries and national Road Maps**

After the final event in April 2014, and the endorsement of the Master Plan by the beneficiaries at the technical level, both downstream and upstream work is needed in countries. The national Road Maps for implementations should be further developed and discussed with the beneficiaries. It was foreseen that countries would need support to prepare for endorsement of the Master Plan on the political level at the next IGC. For this purpose the LOGMOS Project was extended till the end of September 2014 to ensure the approach of ownership over the Master Plan endorsement and implementation in countries, the national transport policy stakeholders were assisted in development of their respective plans of actions.

- **Promotion of the Master Plan with the IFIs**

Additional effort is needed to promote Master Plan activities within the IFIs operating in the region. This requires efforts at national level, via local representations of the major IFIs and at the international level by promoting the Master Plan within the decision-making headquarters of the IFIs. Transport sector policy and planning stakeholders are recommended to use their national Action Plans on logistics and multimodal transport development as a supporting tool in defining and negotiating their respective donor / IFI support programmes. The Master Plan provisions match the objectives and intention of the IFIs to invest in the logistics sector, trade facilitation or multimodal transport development in the region. Thus, the concise Action Plans at national level for both state and regional domains may be used to support grant / financing application processes, justify and properly apply for public grants, and set the direction for PPP development in the region.

- **Higher visibility of TRACECA**

Activities that enhance visibility of EU support should continue. It is recommended that the news section of the TRACECA webpage be edited not only by the PS, but also by the EU-funded Projects (for their respective content). It is recommended to publish TRACECA transport related developments at least once a week, providing for adequate coverage of project dynamics. Apart from the EU ENPI-Info tool, it is recommended that the PS use external professional transport news portal for their postings.

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