

8. RAILWAYS INFRASTRUCTURE MAINTENANCE (CAUCASUS)

Geographic Focus :	Azerbaijan Republic and Georgia
Project Budget :	EURO 1,200,000
Contractor :	TEWET
Implementation timetable:	January 1996 through March 1997

Background

The economic and political situation in the Caucasus has had a detrimental effect on the financial viability and the technical condition of the rail networks, which hampers fluent transport in the region. Therefore, a project was designed to foster co-operation, revive traffic and stimulate revenues in the Caucasus region railway networks, and thus to support their operational and financial situation.

Objectives

To carry out a pre-investment study for the rehabilitation of the main Transcaucasian rail route between Baku, Azerbaijan and Batumi / Poti, Georgia and to provide technical assistance to streamline commercial freight traffic on this route.

Key Issues

The **pre-investment study** was to cover the requirements for rehabilitation of the main rail route between Azerbaijan and Georgia, examine the Institutional and Organisational situation, establishing traffic volume potential and revenue forecasts, carrying out a detailed survey of the existing situation of infrastructure, rolling stock, repair and maintenance facilities. There was a need to define the most urgent required technical repair, upgrading and reconstruction work for likely traffic levels.

The **Pilot freight train** service was to provide technical assistance to Azeri and Georgian railways in preparing and putting into operation a high-quality international freight train service on the main Transcaucasian rail route and to monitor the operation of this service during a period of three months.

Achievements

The pre-investment study has provided the EBRD with an inventory of the major elements in the rehabilitation of infrastructure within the rail network and their priority and costs broken down into the component parts, providing focus for investment in the short and medium term. TRACECA is proceeding with grant assistance for urgent needs for telecommunications and signalling in both Georgia and Azerbaijan as a result of the findings from this study.

The pilot project for high speed dedicated freight trains started at a moment when container traffic between Poti and Baku was starting to grow, the service has proved successful and continues to run under local management. Fixed departure and arrival times have been respected, and security of merchandise is well assured. Realistic price levels were set, operational capacity was made available and terminal, transport and border crossing delays were minimised. Rail operators have been assisted to prove that they can provide services of international standard. The service has recently been extended to link the Georgian Ports with Yerevan in Armenia.

TRACECA is now considering extending the service into Central Asia to establish a high speed link for Intermodal traffic to and from the EU, that would enable all Participating States to benefit from this initiative. This plan is included in the objectives of the Intermodal Services project.