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for Armenia, Azerbaijan, Bulgaria, Georgia, Kazakhstan, Kyrgyz Republic, Moldova,  
Romania, Tajikistan, Turkey, Turkmenistan, Ukraine, Uzbekistan

TACIS 117107

Improvement of Maritime Links between  
TRACECA and TENs Corridors  
Bulgaria Georgia Romania Turkey Ukraine

## *Progress Report 3*

*December 2008*



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A project executed by  
Royal Haskoning,  
NEA  
BCEOM



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## 1 Report cover page

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## 2 Project synopsis

Project Title:	Improvement of Maritime Links between TRACECA and TENs Corridors
Project Number:	TACIS 117107
Countries:	Bulgaria, Georgia, Romania, Turkey & Ukraine

**Overall Project Objective:**

“To facilitate trade along the corridor Europe - Black Sea Region – Caucasus - Central Asia by increasing its competitiveness and attractiveness as stated in the Basic Multilateral Agreement for International Transport for Development of the Europe-Caucasus-Asia corridor”

**Specific Project Objective:**

The project’s purpose is to create the basis for the improvement of maritime links in the Black Sea region. This relates to reliable, safe, secure, competitive and efficient shipping and port services and to enable viable links with the Trans European Networks mainly with regard to rail ferry, Ro-Ro ferry and container services.

**Five Planned Outputs:**

- Result 1: Market Research and Action Plan Maritime Transport Black Sea region
- Result 2: Feasibility Study Ro-ro Terminal Samsun and Pre-Feasibility Study Port of Filyos
- Result 3: Safety and Security Management Systems
- Result 4: Port Community Systems
- Result 5: Port Public Private Partnership and Bankable Projects

**Project activities:**

Phase 0: Inception

Phase 1A: Preparation of the Market Study

Phase 1B: Preparation of the Action Plan  
Development of Port PPP Framework

Phase 2: Preparation of the Feasibility Study for Samsun Ro-ro Terminal and Pre-Feasibility Study Port of Filyos  
Implementation of maritime safety and security improvements  
Development of a Port Community Pilot Scheme  
Assessment of the PPP potential of port investment needs/projects in the region and selection of Bankable Projects.

Project starting date: 16 April 2007

Project duration: 24 months

Project implemented by: Royal Haskoning (The Netherlands) and consortium partners:  
NEA Transport Research and Training (The Netherlands)  
Egis-BCEOM (France)



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### 3 Introduction

The purpose of the project is to create the basis for the improvement of maritime links in the Black Sea region. This relates to reliable, safe, secure, competitive and efficient shipping and port services and to enable viable links with the Trans European Networks mainly with regard to rail ferry, Ro-Ro ferry and container services.

The project focuses on the Black Sea countries of the Ukraine, Romania, Bulgaria, Turkey and Georgia.

The ports covered by the project are pointed out in the following figure.



This third Progress Report covers the period from 1 May till 31 October 2008.

On June 5 the Action Plan seminar was organised in Istanbul. During the seminar the results of the first phase on the subjects market analysis, safety and security, port community systems and Public Private Partnership were discussed, and the action plan for the second phase on these subjects was discussed and approved.

The focus in this reporting period was on the studies for the ports of Filyos (pre-feasibility study) and Samsun (Ro-ro terminal) and the start of preparations for the training workshops Safety & Security and the country workshops PCS-PPP.

The pre-feasibility study for the port of Filyos was the most urgent of the two Turkish studies, as the EU commissioned the Feasibility Study for the Port of Filyos in the second half of 2008, and the results of our pre-feasibility study are to be used as basic input for the grand study.

At the Safety & Security workshops (to be executed in the next reporting period) also the Common Integrated Management System Safety & Security for the Black Sea region ports (Black Sea SASEMAS) is to be introduced as by the implementation of this system, the maritime safety and security is to be improved.

In this reporting period, the Black Sea SASEMAS was worked out by the projects' safety & security expert and discussed with DG-TREN in Brussels.



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In order to have successful PCS-PPP workshops, preparatory meetings were held with the TRACECA National Secretaries of the 5 project countries, except Georgia. The objectives of those preparatory meetings were to agree on the programme of the workshops and to ensure that the appropriate participants were to be invited.

The Georgian project activities were postponed to 2009, due to the war between Russian and Georgia.



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The project team consists presently of the following experts:

<b>Name Expert</b>	<b>Position</b>
<b>• Key experts</b>	
Edwin Lock	Team Leader
Klaas Westerkamp	Transport Economist
Peter Verwaerde	PCS Expert
Andre Merrien	Port Infrastructure Expert
Johan Gauderis	PPP Expert
<b>• International non-key experts</b>	
Bertrand Apperry	Safety & Security Expert
Ewout van der Reijden	Port Operations & Maritime Transport Expert
Xavier Dolbeau	Environmental Expert
Sean Newton	Traffic Forecast Expert
Barry Zondag	Modelling Expert
<b>• Local non-key experts</b>	
Gönül Ertürer	Local Environmental Expert
Julian Totev	Draftsman
Vesela Georgieva	Software Development Expert
Kristiana Chakarova	Country coordinator Bulgaria
Ekaterina Bassova	Country coordinator Ukraine
Ioan Cucev	Country coordinator Romania
Georgi Gogiashvili	Country coordinator Georgia
Ozan Kuyumcuoglu	Country coordinator Turkey



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## 4 Project Execution

### 4.1 Project Progress

#### 4.1.1 Project Missions

The following missions to the Black Sea region have been executed in the period 1 May – 31 October 2008.

Mission description	Period	Project Result	Countries, cities or ports	Team members
Port + NS meeting	05/05 - 09/05	2	TR, Ankara, Samsun	EL, AM, OK, ER
Seminar action plan	03/06 - 06/06	1	TR, Istanbul	ER, AM, KW, PV, JG, BA, ER, OK
Project office	23/06 - 27/06	2	BU, Sofia	ER
Project office	21/07 - 25/07	1/2	BU, Sofia	KW
Filyos preparation	10/07 - 12/07	2	TR, Istanbul	SN
Filyos preparation	28/07 - 01/08	2	TR, Istanbul	KW
Filyos preparation	25/08 - 29/08	2	TR, Istanbul + Zonguldak	KW, BZ, OK
Project office and presentation to NS	14/09 - 19/09	2	BU, TK, Sofia, Ankara	ER, AM, KW
Filyos preparation	13/10 - 17/10	2	TR, Ankara	ER, AM
Seminar, Meetings and Site Visits	04/06 - 08/06	2	Turkey – Istanbul, Ankara, Filyos & Samsun	AM
Meetings and Site Visits	10/06 - 15/06	2	Turkey – Ankara & Filyos	XD
International SAR conference	Week 36	3	Varna	BA
Work with project leader	Week 38	3	Sofia	EL, BA
Visit to European security inspectors	9 <sup>th</sup> of October	3	Bruxelles	BA
Action plan	3-9 June 2008	4	Turkey - Istanbul	PV + team
Administration	22-27 June 2008	4	Bulgaria – Sofia	PV
Preparation workshops phase	27-31 July 2008	4	Bulgaria - Sofia	PV
Preparative meeting	1-5 sept 2008	4	Turkey – Ankara	PV
Preparative meeting	15-19 sept 2008	4	Ukraine – Kiev	PV
Preparative meeting	28/09-3/10/2008 sept-oct	4	Bulgaria – Sofia Romania - Bucharest	PV
Adm. + preparation workshops	19-24 oct 2008	4	Bulgaria – Sofia	PV
Preparation workshops phase 2	23-27 June 2008	5	Work in Sofia project office	JG
Preparation	1-3 Sept 2008	5	Ankara, visit to National Secretary	JG





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workshops phase 2				
Preparation workshops phase 2	15-17 Sept 2008	5	Kiev, visit to National Secretary	JG
Preparation workshops phase 2	29 Sept – 3 Oct 2008	5	Sofia and Bucharest, visit to National Secretaries	JG
Preparation workshops phase 2	22-22 Oct 2008	5	Work in Sofia project office	JG

Project results:

- 1 Market Research
- 2 Ro-ro Ferry Connections Samsun & Port of Filyos
- 3 Safety & security management systems
- 4 Port community systems
- 5 PPP and investment projects
- PM Project management

Team members:

- EL Edwin Lock (Team leader)
- AM Andre Merrien (Port Infrastructure)
- KW Klaas Westerkamp (Market research)
- PV Peter Verwaerde (PCS)
- JG Johan Gauderis (PPP)
- BA Bertrand Apperry (Safety & security)
- ER Ewout van der Reijden (Port operations)
- BZ Barry Zondag (Traffic Forecast)
- SN Sean Newton (Traffic Modelling)
- OK Ozan Kuyumcuoglu (Project coordinator Turkey)
- XD Xavier Dolbeau (Environment, maritime)
- GE Gönül Ertürer (Local environment, land)

For details about the missions, reference is made to Annex A: List of Visits and Meetings in the Reporting Period.



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## **4.1.2 Market Research and Action Plan**

### *4.1.2.1 Project Progress*

The results of the market research, as discussed during the March 2008 workshop in Varna, were written down in the report "Improvement of Maritime Links between TRACECA and TENs Corridors, a market analysis, July 2008, final report". This report was presented during the Action Plan workshop in Istanbul on June 5.

### *4.1.2.2 Action Plan Seminar*

On June 5 the Action Plan seminar was organised in Istanbul. A separate report on this seminar has been submitted. In Annex B the programme and the list of participants is included.

During the seminar the results of the first phase on the subjects market analysis, safety and security, port community systems and Public Private Partnership were discussed, and the action plan for the second phase on these subjects was discussed and approved.

All activities for project result 1 have been finalised in this reporting period.

### *4.1.2.3 Deviations from Original Planning and Reasons*

None.

### *4.1.2.4 Specific Action Required from TRACECA National Secretaries and/or the EU*

None.

## **4.1.3 Feasibility Study Ro-ro Ferry Terminal Samsun & Pre-Feasibility Study Port of Filyos**

### *4.1.3.1 Project Progress*

In the period May – October 2008, the project team paid several visits to Ankara, Samsun and Filyos / Zonguldak. During these visits information was obtained based on visual observations and during meetings with local authorities, shipping agents and other stakeholders. Subsequently the Filyos market analysis study was updated, an environmental assessment was performed and preliminary port layouts were developed. The results were presented in Ankara in September and the first week of November (outside this progress report).

In Samsun a site visit to the port was performed and meetings were arranged with the local port authorities and shipping agents. During the meetings general information about the port procedures, type and quantity of goods, etc. was obtained. Further, the potency for future development of the port was discussed. One of the important aspects that were learned during these meetings was that the port of Samsun is in the process of privatisation.

In Filyos meetings were held with the local authorities and interviews were held with the local fishermen. The main objective of this visit was to obtain information about the local situation of the future project



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area and to get information and insight in the aspects that are of importance from environmental point of view. It was learned that the area covered by the Filyos River delta certainly has an environmental value and that some areas contain valuable habitats and valuable flora and fauna. It was also noted that significant works were on-going at the river of Filyos. Dikes and dredging works are performed as part of a larger flood protection programme.

For further updating of the market analysis study, different authorities were visited in Zonguldak (e.g. Chamber of Commerce).

In Ankara the Traceca National Secretary was visited several times to keep him updated about the project's progress. In September the first findings were presented showing the first results of the data collected so far and possible port development alternatives. In addition several visits were paid to DSI and DLH Institutions, who are involved in the Filyos port and river project.

Based on the information obtained the market analysis study was worked out in more detail for the Filyos project. Global figures of the potential cargo flows were developed.

With the information gathered during the site visit at the Filyos delta an environmental assessment and a preliminary sensitivity analysis for the area have been performed resulting in an identification of environmental valuable areas.

Several port plans have been worked out based on the obtained information and based on the results of the market analysis and the environmental assessment. These plans have been discussed during the meeting in Ankara in November and will be further worked out using the comments received from the different stakeholders.

### *4.1.3.2 Deviations from Original Planning and Reasons*

Originally the project result was dedicated to the preparation of a feasibility study for a rail ferry terminal at Samsun. However, in the course of the project, the Consortium was informed that the physical upgrading of the rail ferry terminal was already started and therefore the feasibility study was found unnecessary to be executed.

Upon agreement with the EU and the TRACECA National Secretary of Turkey, the project result is changed towards a feasibility study for a ro-ro terminal (road transport) at the Port of Samsun and a pre-feasibility study for the Greenfield port of Filyos.

Where the original planning for finishing the masterplan for Samsun and the pre-feasibility study of Filyos was March 2009, the end date for the Filyos pre-feasibility study was advanced to the end of December 2008. This in order to finish this part of the work before the start of the detailed feasibility study for the Filyos port, which is scheduled early 2009.

### *4.1.3.3 Specific Action Required from TRACECA National Secretaries and/or the EU*

The TRACECA National Secretary of Turkey will be approached for assistance in collecting the relevant available information and he will be approached for assistance for the preparation of the Samsun presentation in February 2009.



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### 4.1.4 Safety and Security

#### 4.1.4.1 Project Progress

The common integrated management system for safety and security has been defined and the programme for the training workshops safety & security was prepared. Reference is made to Annex E for this programme, to be executed in all 5 project countries.

#### Outline of Black Sea SASEMAS

The introduction for a SAfety and SEcurity MAnagement System for the maritime sector to be implemented in the 5 Black Sea countries: Bulgaria, Georgia, Romania, Turkey and the Ukraine, in order to create continuous improvement of maritime safety & security.

#### Origin of the system

- The compliance with the international rules on safety and security requires a **will** from the National Administration of flag and ports
- The level of conformity can be different from one country to another one and this will reduce the velocity of the shipping interfaces
- The best manner to facilitate the shipping business is to be fully compliant with the rules and to ensure this conformity via a common management system

#### Definitions

- The **group**: is the group of participating countries
- Group representatives are the 5 governments representatives
- **Designated Person(s)** one or more person (DP) in charge of the SASEMAS in each country (proposed by each participating country and accepted by the steering committee)
- The job has to be described (see further on)

#### Creation of the SASEMAS

- The SASEMAS **will ensure** that all companies, ships, port facilities and ports are in conformity with applicable international and national rules
- The system will engage companies and port operators in their shipping activities in the Black Sea
- The system will be operated by a group made of representatives from the 5 Administrations
- The system does not need any certification

#### Mixing Safety and Security

- Safety and Security have the same objectives which are protection of human lives, environment and properties
- Safety and security can be linked together in a same system
- Then, Safety and security will be managed at the same time, when possible, to reduce loss of time and money
- Verification of compliance will be made in a cross check manner to realise the most possible fairly assessment
- Personnel in charge will be trained to do so
- Results will be communicated to all parties involved only and so during review meetings

#### Contents of the System

- 1-Objectives and performance indicators
- 2-Safety and Security Policy
- 3-Structure to manage the SASEMAS
- 4-Designated person(s) in each country
- 5-SASEMAS standard for management of human resources
- 6-Referentials for shipping and port operations
- 7-SASEMAS requirements for state and companies organisation for emergency situations



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- 8-SASEMAS internal accident enquiry system
- 9-SASEMAS referentials documents format (Safety management manuals or ship/port security assessment and plans)
- 10-SASEMAS internal verifications (inspections and audits)
- 11-SASEMAS periodical management reviews
- 12-SASEMAS continuous improvement

### 1-Objectives

The SASEMAS objectives are:

- Protect workers and seafarers' lives by ensuring safety and security of shipping and port operations: Zero accident will be the ultimate target
- Facilitate operations in reducing port state or flag state controls by ensuring a visible, true, verifiable and well-known compliance with international, regional and national rules
- Helping countries to create and maintain the safest possible working environment
- Increase the safety culture of our industry in the region

### Performance indicators

- 1- Number of accidents is decreasing regularly in %
- 2- Risk assessment is systematically included in all activities
- 3- Accident and near misses are analysed in a formal manner
- 4- Feedback is systematically analysed in order to issue preventive measures
- 5- Internal audits and management reviews are performed as required and planned
- 6-Incident, non-conformity or personnel suggestions are analysed and taken into account when suitable
- 7-In companies, port facilities and ports, emergency drills and exercises are realistic; reports are evaluating effectiveness of means and proposing improvement
- 8- Company, facility or port crisis cell exist and are regularly tested
- 9-Continuous assesment of safety level is carried out via part or global reviews
- 10-Integration of safety and security activities is under process

### Assessment Marks

- Assessment are performed during internal audits: The marks are between 1 and 5
- « 0 » does not exist because all the items are mandatory
- The mark is the decision of the auditor group
- Note: The auditors are to be independent of the sector audited
- The sum of marks will define the level of the safety culture of the area audited

### 2-Safety and Security Policy

- Issued by the SASEMAS, a common S & S policy is published
- It is signed by all the steering committee members (5 government representatives in charge of flag administration, Port state control, Port administration)
- This policy will include the nomination of the Designated Persons (DP) in charge of running the SASEMAS in each country

### Policy

- **Black Sea Region S&S Policy** is designed for the management of all shipping and ports activities through a strategic Safety and Security management plan founded on commitment and accountability from all personnel involved.
- The group of undersigning governments have the responsibility for the implementation of our standards via a steering committee
- The group has agreed and established **safety, security management standards and appropriate training levels** to deal with S&S issues and performance measurements based upon the requirements of the safety of life as specified in International Conventions, regional regulations, flag or coastal States Administrations taking into account the recommendations of IMO, ILO, other Administrations, Classification societies including other competent organisations



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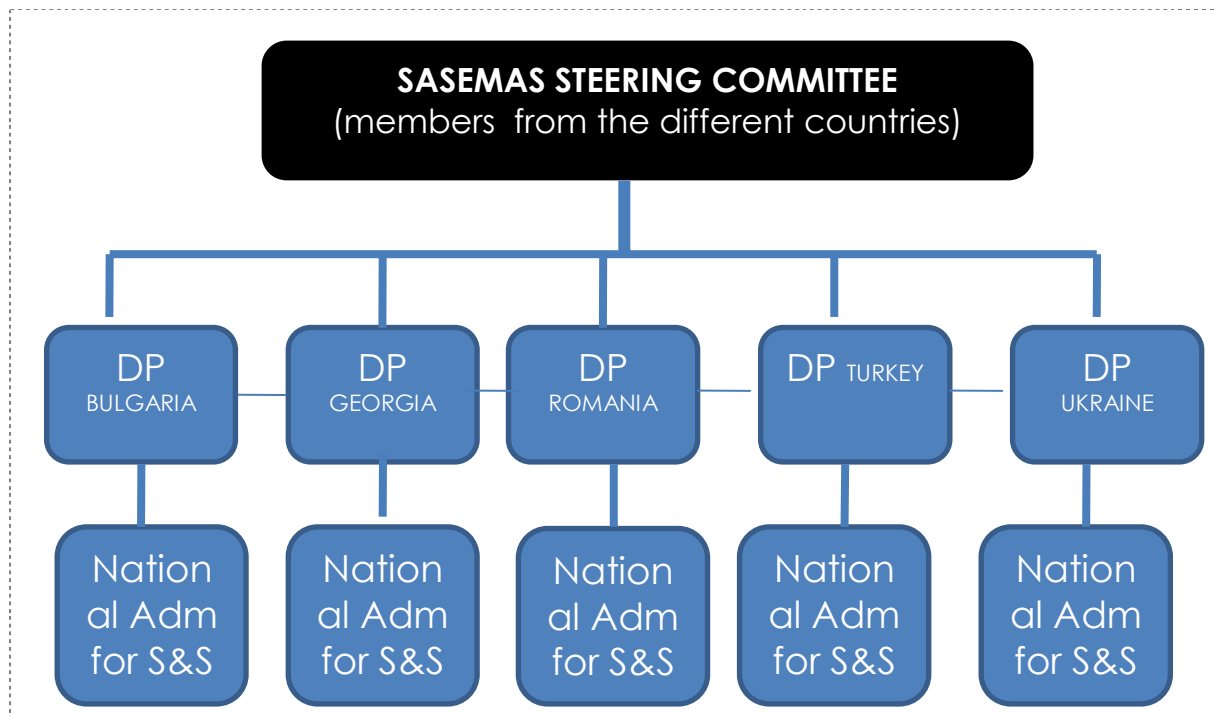
- The principle is to view the safety aspects of any work activity to be of equal importance to commercial performance targets.
- They have designated a representative in the SASEMAS steering committee

Our objectives have been defined and the state of achievement will be continuously verified

**To achieve that:**

- The group has designated one or more persons in each participating country to **ensure mutually the operation** of the SASEMAS
- They have the responsibility and organisational freedom to **monitor** the safety and security aspects of shipping and port operation in the 5 countries, and
- These persons have, at all times, the right to **contact the steering committee** for any issue on health, safety, security or environment.
- All Administrations, members of the group, have the responsibility to implement the present policy

**3-Structure of the SASEMAS**

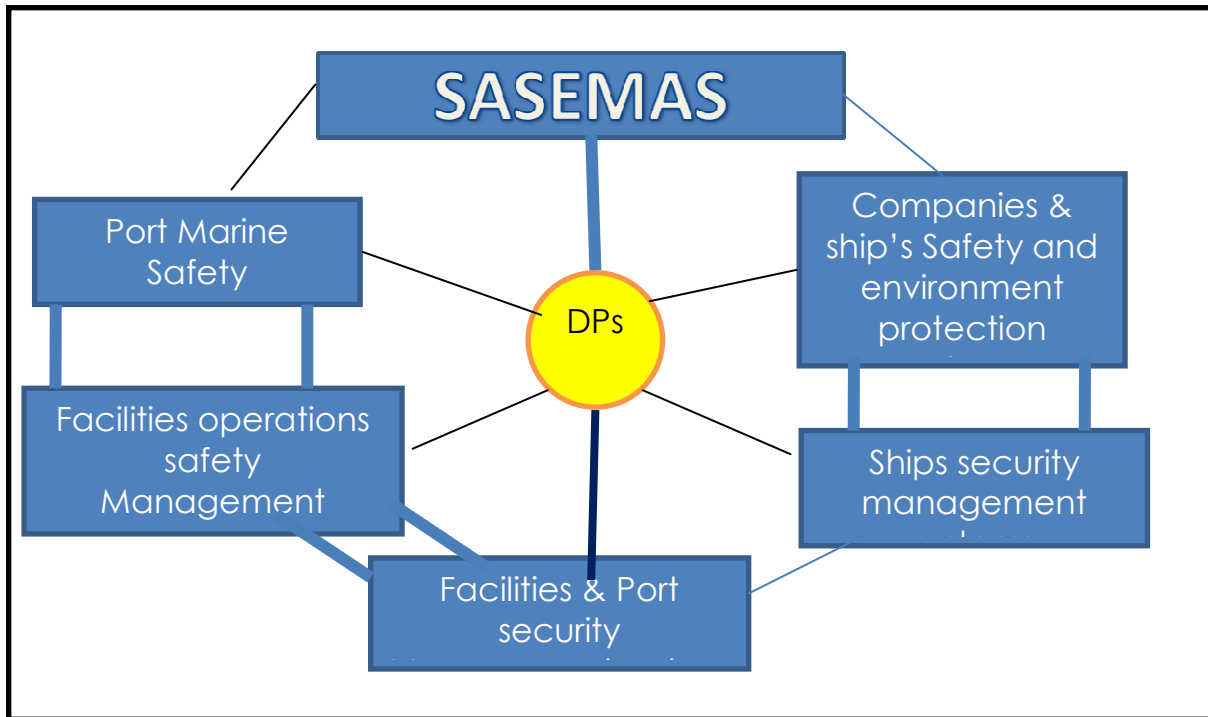




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### SASEMAS Flow Chart



#### 4-DPs' Job description

- Report to the steering committee
- Ensure implementation of the SASEMAS in his country
- Ensure monitoring of safety and security management systems in companies, on board ships, in port facilities and ports consisting mainly in following the results of ISM and ISPS certification by flag and port administrations
- Ensure internal inspections and audits (see internal audit process)
- Ensure transmission of results and propose corrective actions to the steering committee
- Conduct or participate to internal investigation teams
- Prepare national reviews to the steering committee
- Implement the changes decided by the steering company
- (see specific outline on this key job)

#### 5- Management of human resources

Human resources include knowledge, understanding and proficiency (KUP) of workers:

- Initial training of workers including certificates of competency
- Familiarization on arrival or when it is a new work, new ship or new equipment (change management)
- Periodical assessment and continuous training for personnel
- Requirements of state organisation for verification of medical fitness for workers

#### 6-Referentials taken into account for operations

Referentials are coming from:

- International rules and regulations
- International guidelines or specific codes issued by competent organisations



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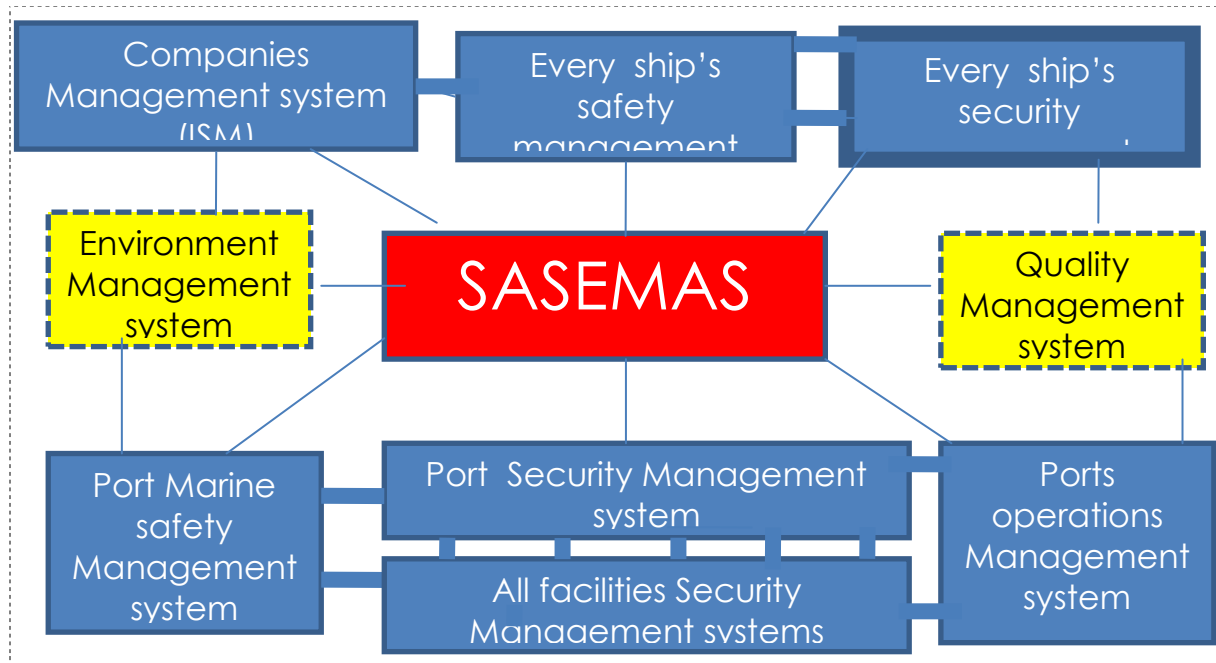


- European regulations
- National regulations (which apply only to the corresponding state)
- Recommendations from the steering committee

### Management systems inside SASEMAS

- Customer Companies & ships have mandatory safety & security management systems under ISM Code and ISPS Code
- The port has national or local regulations for marine operations (as Port Marine safety code). It covers these regulations via a Management system
- Facilities have safety of port operations requirements from the port state; they can cover that via a management system (compliant with ILO-OSH 2001 code for example)
- Port and Port facilities have security requirements under the ISPS code via European regulation (725) and directive (65)
- Non mandatory Quality and Environment management system could be integrated in the global system of the shipping company or the port and consequently in the SASEMAS if decided

### Management Systems flow chart



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### Referentials for shipping and port operations

- The SASEMAS must define the referentials as basic or enhanced requirements for all parts of the system:
- NB The national regulations apply and especially when there is a lack of international management system
- For safety of shipping the referential will be the **ISM Code** through the European Parliament Regulation 336/2006
- NB safety of specific operations will be conducted by industry recognized standards as ISGOTT(oil), SIGTTO (gas)





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- For safety of Port operations, the referential will be the **ILO guidelines** on safety and health in ports (2005)
- For Security of Ships and port facilities, the referential will be the ISPS code through the European regulation 725/2004
- For security of ports themselves, the referential will be the European Commission directive 65/2005
- In general the European regulations apply (they usually emphasised IMO or ILO rules & reg)

### **SASEMAS Propositions for Safety**

- SAFETY of shipping: systems in compliance with the ISM Code + taking into account the recommendations of IMO and ILO or other competent organizations (OCIMF, SIGTTO, IADC, etc.)
- Safety of Port Marine activities: Port Marine Safety Code of UK
- Safety of Port operations: Management system close to ILO-OSH 2001 taking into account the Specific European regulation (Pax, IMDG) or international codes from IMO (bulk, gas) or others (ISGOTT)

### **SASEMAS propositions for Security**

- Shipping: European regulation 725/2004 (which is ISPS A + some parts of B)
- Port facilities: regulation 725/2004 (which is ISPS A + some parts of B)
- Ports: European directive 65/2005

### **Integration of management systems**

- SASEMAS will propose to companies, facilities and ports to integrate safety and security as much as possible
- The security activities could be integrated in the facility management system for safety
- Security assessment and plan already exist; we will integrate only the activities generated
- DP will be an advisor for this integration

### **7-Organisation for emergency situations**

- The SASEMAS must include a participation to verify the emergency national organization in place in the ports (in conformity or not with the UNEP/IMO programme APELL):
- SASEMAS will ensure that necessary information, internal communication, training and necessary coordination between the local services are provided to protect people in the event of an accident in a port
- SASEMAS will also ensure that SAR equipment are sufficient at the local level and will verify and promote the cooperation of SAR organizations of all countries involved in case of an accident at sea

### **8- Accident reports and investigations**

- Immediate correctives actions to protect persons and assets are the responsibility of the state (Port or flag)
- Information will be communicated to the SASEMAS'DP.
- If necessary, a safety alert will be communicated to other company or ports via the designated person of the state
- Any accident will be analysed through a **formal internal enquiry** carried out by competent persons. MSC/MEPC.2 circular3 could be followed
- The causes of the incident will be researched including the human element and feasible preventive measures proposed to prevent their recurrence (feedback system).
- The final preventives measures will be decided by the steering committee
- Internal investigations reports will be carried out on a SASEMAS format
- The number of incidents which occur in the industry (by sectors) will be communicated to all personnel
- The results of all enquiries will be communicated to the personnel concerned and to other parties as appropriate



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**9- Documentation**

- To facilitate the control of conformity, it is obvious to require the same format for all mandatory documents (manuals, check-lists, reports, logbooks etc...): SASEMAS will propose these formats to the shipping and port industry
- The renewal of documents could be the best moment to modify existing documents
- All documents (hard or software) will have to be renewed every 5 years

Examples

**Safety & Environment**

- ISM Compliance manual including recordings

**Security**

- PSA
- PSP
- PFSA
- PFSP
- SSA
- SSP
- Including recordings

**10- Internal verifications**

Internal verifications can be Inspections or Audits.

**What are inspections?**

- We have maintained inspections in the SAEMAS
- Inspections are a formal state of fixtures without any investigations on causes
- They can be quick visit in companies, on board ships, in facilities or ports to notice the visible state of safety or security
- Immediate corrective actions could be issued when needed
- If an internal audit is planned, the inspection can be sudden and not planned
- Inspection reports will be carried out on a SASEMAS format

**Internal audits**

- The success of such a common management system will be in the results of the internal audits.
- These audits are completely apart of external certification audits
- The secret of a good working management system is in the quality of internal verification instead of external verifications
- Always external audits are concentrated in conformity with a referential while internal audits are set up to evaluate the performance, detect the weaknesses and find solutions to correct and improve the safety culture of partners involved
- Internal audit for companies, port facility operator or port themselves are much more efficient than external audits.
- Always self-assessment and self solutions of improvement have been paramount

**What is an internal audit?**

- An internal audit is a periodical action to determine whether the Safety and Security Management system and its elements are:
  - In place
  - Adequate, and
  - Effective in protecting safety of workers and preventing accidents
  - An internal audit cover all the SASEMAS or only a part
- The internal audits are carried out by competent persons independant of the audited sector
- Internal audits reports will be carried out on SASEMAS format in order to harmonize the process and help the steering committee to evaluate



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**Advantage of internal audits**

- Will be the secret of the efficiency of our common management system
- The results will not be public and will stay internally in the group of participating countries
- The correctives or preventive actions will be proposed by the steering committee
- The National Administrations will have the responsibility to implement these actions in time

**11-Management Reviews**

The national DP will prepare the annual management review which will content, at a minimum, the following items:

- Evaluate effectiveness of follow up actions from former management reviews
- Evaluate the completion of all corrective or preventive measures
- Provide the feedback gained for continuous improvement
- Evaluate progression towards objectives and completion of actions
- Evaluate the over strategy of the system to determine whether it meets planned performance objectives
- Evaluate the ability of the system to meet the needs of the stakeholders including workers and authorities
- Evaluate the need for changes to the system

**12- Continuous improvement**

- The system will operate in a continuous improvement policy:
- Analysis of results will be carried out during the periodical management reviews at the steering committee level
- Amendments or new propositions will be issued in order to improve the safety culture of our shipping and port industry
- Reports will be issued and communicated to the national administrations and published when suitable

**Designated Person, the key of success for SASEMAS**

A DP should be also an ISM and ISPS advisor for SASEMAS participants

**DP assignment**

- To ensure the success of the SASEMAS and consequently the improvement of the safety culture in the area
- The role of the DP can't stay only in the usual limits of an inspector (another one!) or even the limits of an internal auditor
- Internal audits include usually a part of training or transmission of knowledge
- For me, an internal audit is not only a control of compliance it is also a training (for compliance) of auditees: company managers, masters, facility or Port Manager, Port captains

**KUP of the DPs (Knowledge, Understanding and Proficiency)**

- A strong and deep knowledge of the subjects:
- Basics: ISM and ISPS + ILO guidelines
- Implementation skills: training or experience in implementation of both safety and security in companies, ships, facilities and ports
- A knowledge of management system principle
- The will to integrate safety and security as much as possible

**The Basics: ISM and SMS & ISPS and SA/SP**

ISM Code

- International Safety Management Code
- Code worked out in 1993 by the International Maritime Organization as a recommended standard for management of maritime safety in shipping companies and on board ships
- Then, 10 years ago, introduced into the SOLAS convention for a mandatory application to SOLAS ships (more than 500 GT and practicing an international trade)



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- Implementation between 1998 and 2002)
- SMS
- Or Safety Management System to follow the requirements of the code
  - System including at least the requirements of the ISM Code, can contain more
  - Management System, specific to a shipping company and being able to be certified in conformity with the ISM Code by the flag Administration or its representative (RO)
  - System implemented on board all ships of a Company
- Risk
- Quantitative evaluation of the probability of an accident or damage
  - Reaction which should be natural for any human operator when he feels a threat to himself, the ship, the port, the facility or the environment
  - Mandatory systematic analysis before any human operation in our industry

### Safety and Security

- **Maritime safety:** concerns prevention and management of accidents relating to ships, persons on board (crew and passengers), facilities and ports or marine environment. Accidents are in an involuntary matters
- **Maritime security:** concerns prevention of illegal acts against persons and assets on board ships or in ports. They are of a voluntary matter

### For the DP, the approach will be the same in all cases

- Conformity with the referentials which contains the necessary and sufficient requirements for a good safety management and prevention of accidents and marine pollution
- The management system in the shape of SASEMAS model proposition
- Advice on implementation of changes, internal verifications or management reviews

### Helping a new company

- Advice on the model of Safety Management system proposed by SASEMAS
- Propose a pre-audit before the interim certification
- Propose complementary measures to ensure compliance with the ISM code

### Assessment of an existing SMS

- A SMS assessment proceeds like a conformity or operation audit but includes proposals for conformity or improvements
- On this occasion the DP will ask for a minimum of improvement of the safety management system
- Proposed corrective actions will be discussed and an..
- Action plan will be worked out for the improvement of the SMS under the SASEMAS model

### Assessment audit by the SASEMAS DP

- The assessment audit is carried out like an initial audit with the same tools:
- Documents review using a personal checklist which follows the requirements of the ISM Code
- Remarks or proposals are presented on this checklist which will be indeed the major element of the audit report
- Remarks and proposals for an improvement are presented directly to the company management

### Practical methods

- All ISM code items are required in the SMS
- The evidence of operation will have to be shown
- When the observations or proposals for an improvement are significant, they are developed in an individual record sheet where persons in charge will be able to deliver their opinion
- We often find most of all the requirements of the ISM Code more or less well expressed but some are not understood
- On the other hand, it is impressive to realize how many significant requirements of the code are only notified but not applied at all: risk identification, critical equipment, experience feedback, etc.



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- These missing requirements are often most difficult to apply and they are the principal SMS weak points all over the world

**The DP is acting as an internal auditor**

- Contrary to the external auditor who cannot advise the Ship-owner or the Master, the DP as the DPA will be able to propose improvements of the company's SMS by using his SASEMAS experience
- He will apply his own experience feedback after each mission in order to improve the application of the ISM Code

*4.1.4.2 Deviations from Original Planning and Reasons*

Training workshop in Georgia postponed to Feb. 2009, due to the war situation in Georgia.

*4.1.4.3 Specific Action Required from TRACECA National Secretaries and/or the EU*

None.

**4.1.5 Port Community Systems**

*4.1.5.1 Project Progress*

The most bottlenecks (already mentioned in Progress report 2) remain; being:

- hierarchic and centralistic structure (ports not being autonomous entities but depending from a higher level), the (unnecessary) mixing of some public and private sector activities without clear and unambiguous laws and procedures,
- moreover the views of the various administrations, organisations and other actors are so different that a generic approach was/is not possible.

During the Istanbul 'Action plan seminar' (june 2008) the further progress was clearly explained.

- It was also explained that, due to e.g. financial issues and the fact that the bottlenecks were almost the same in the two result fields, the workshops PCS and PPP would be joined

The key actions in phase 2 of the project are 1. the organisation of an overall action-plan seminar, 2. the preparations and 3. conducting of five workshops, one in each project country, with national and port level officials.

The objective of the workshops is to transfer expertise (and know-how) on

- 1. PCS basics, what is EDI?, existing models/services, how to start?, state-of-the-art examples (keeping in mind that there is no port in the world with a complete PCS (= electronically connecting all port community actors through a single window, facilitating and reducing drastically the exchange of paper documents between these actors)



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- 2. PPP the comparison of alternative (management) models for the financing of port PCSs and the selection and implementation of the best model. In Phase 1 of the project a number of areas of improvement in these matters were identified.
- The workshops are aimed at creating awareness about these areas of improvement.

In the period covered by this progress report the following activities were undertaken:

- preparation of the workshop material (programme, presentation);
- preparatory meetings with the local partners and the National Secretaries in Bulgaria, Romania, Turkey and Ukraine to agree on practical matters (selection of participants, choice of date and venue) and on the workshop programme (see list of meetings in Annex A);
- practical preparation of the workshop by local partners, with assistance of National Secretaries where needed: sending out invitations, booking conference facilities,...
- The preparation in Georgia was postponed due to the problems in Ossetia and is now scheduled to take place in December.

The actual workshops are scheduled in the period November 2008 – February 2009.

### 4.1.5.2 *Deviations from Original Planning and Reasons*

As has already been stated in the second progress report, there have been no deviations from original planning in phase 1 of the project,

In progress report 2 we have also communicated about a reorientation of the objectives of phase 2.

- However, it is useful to recall here the reasons for this reorientation.
  - The original objective of phase 2 was to provide advice and transfer know-how/expertise on PCS constructions for specifically the 11 ports involved
  - However, in phase 1 it proved to be impossible to identify in all project countries
    - 1. a clearly interested leading party,
    - 2. clear and unambiguous port management models/procedures and
    - 3. enough ICT-awareness

Referring to the market research study (result 1) demonstrating that the cargo volume of Black Sea ports will grow substantially in the next two decades, there will consequently be fierce competition and a large need for

- 1. facilitating the information exchange by a) reducing the physical documents flow, b) introducing the single-window principle through the introduction of c/ PCS (services/systems)
- 2. investments in e.g. ICT, upgrading or expansion of port capacity,
- Consequently we decided to use phase 2 to address these areas of improvement in national (joint and interactive) workshops.

We also decided to organise the PCS workshops in combination with project result 5 (PPP).

- While both topics are very different, they happen to have many points in common; E.g.
  - The port actors, bottlenecks and key issues overlap to a large degree.
  - Joining both topics allows us



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- to do more with the available resources, and
- to make more effective use of workshop time and the scarce time of the participants.

Within this modified work plan for phase 2, all activities so far have been carried out as planned, with the exception of the workshop in Georgia.

- Due to the problems, the preparative meeting was postponed to December 2008.
- To allow for sufficient time for the practical organisation of the workshop, the workshop was postponed to February 2009.
- This has, however, no impact on the (overall) timely completion of the overall project.

### 4.1.5.3 Specific Action Required from TRACECA National Secretaries and/or the EU

The TRACECA-National Secretaries have been asked to assist with the preparation of the country workshops (identifying participants, sending out invitations).

All have offered their cooperation.

With four of them (all except Georgia) practical arrangements have already been made.

Nothing else is required but the execution of the actions that have been agreed.

The National Secretary of Georgia has already offered assistance in principle.

- A visit (preparative meeting) to define the practical modalities of this assistance is scheduled in week 51 (December 2008).

### 4.1.6 PPP and Bankable Projects

#### 4.1.6.1 Project Progress

The key actions in phase 2 of the project are the conducting of five workshops, one in each project country, with national and port level officials. The objective of the workshops is to transfer expertise on the comparison of alternative models for the financing of port infrastructure (ranging from the standard public procurement model to various PPP models) and the selection and implementation of the best model. In Phase 1 of the project a number of areas of improvement in these matters were identified. The workshops are aimed at creating awareness about these areas of improvement.

In the period covered by this progress report the following activities were undertaken:

- preparation of the workshop material (programme, presentation);
- preparatory meetings with the local partners and the National Secretaries in Bulgaria, Romania, Turkey and Ukraine to agree on practical matters (selection of participants, choice of date and venue) and on the workshop programme (see list of meetings in Annex A);
- practical preparation of the workshop by local partners, with assistance of National Secretaries where needed: sending out invitations, booking conference facilities,...

The preparation in Georgia was postponed due to the war in Ossetia and is scheduled to take place in December.

The actual workshops are scheduled in the period November 2008 – February 2009.



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### 4.1.6.2 *Deviations from Original Planning and Reasons*

There have been no deviations from original planning in phase 1 of the project, as has already been stated in the second progress report.

In the second progress report we have also communicated about a reorientation of the objectives of phase 2. However, it is useful to repeat here the reasons for this reorientation.

- The original objective of phase 2 was to provide advice on PPP constructions for specific, potentially bankable projects. However, in phase 1 it proved to be impossible to identify in all project countries port investment projects that are sufficiently mature to assess alternative procurement and financing models (with and without PPP). While the market research study (result 1) demonstrated that the cargo volume of Black Sea ports will grow substantially in the next two decades, and that there is consequently a large need for investments in the upgrading or expansion of port capacity, this need has not yet been translated into well defined port projects, let alone bankable projects.
- The analysis of PPP experience in phase 1 also showed that private financing of port projects is already applied or considered in most project countries. However, several areas of improvement were identified in the way PPP projects are prepared and tendered. Consequently we decided to use phase 2 to address these areas of improvement in national workshops.

We also decided to organise the PPP workshops in combination with project result 4 (Port Community Systems - PCS). While both topics are very different, they happen to have many points in common. The port actors, bottlenecks and key issues overlap to a large degree. Joining both topics allows us to do more with the available resources, and to make more effective use of workshop time and the scarce time of the participants.

Within this modified work plan for phase 2, all activities so far have been carried out as planned, with the exception of the workshop in Georgia. Due to the war the preparatory meeting was postponed to December 2008. To allow for sufficient time for the practical organisation of the workshop, the workshop was postponed to February 2009. This has, however, no impact on the timely completion of the overall project.

### 4.1.6.3 *Specific Action Required from TRACECA National Secretaries and/or the EU*

The TRACECA National Secretaries have been asked to assist with the preparation of the country workshops (identifying participants, sending out invitations). All have offered their cooperation. With four of them (all except Georgia) practical arrangements have already been made. Nothing else is required but the execution of the actions that have been agreed. The National Secretary of Georgia has already offered assistance in principle. A visit to define the practical modalities of this assistance is scheduled in December 2008.





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## 4.2 Project Execution in the Reporting Period

### 4.2.1 Staff Input and Incidental Expenditure

Herewith follows an overview of the resources used over the period 1 November 2007 – 30 April 2008.

	<b>Total Budget</b>	<b>Used in Period</b>	<b>Percentage used to date</b>
Team Leader	420 person-days	109 person-days	77 %
Key Experts	595 person-days	150 person-days	73 %
International Non-Key Experts	415 person-days	113 person-days	82 %
Local Non-Key Experts	483 person-days	176 person-days	75 %
Total staff input	1,913 person-days	548 person-days	77 %
Incidental Expenditure	€ 570,000	€ 40,300	25 %
Expenditure Verification	€ 15,000	0	63 %
<b>Total Project Budget</b>	<b>€ 2,249,600</b>	<b>€ 498,000</b>	<b>63 %</b>

Incidental Expenditure used in this period includes:

- Travel to and in the region (except for travel between Sofia and home country)
- Daily subsistence allowance (except for Sofia, after 1 September 2007)
- Rent and operating costs Regional Project Office Sofia
- Workshop Action Plan, Istanbul, June 2008

It is noted that the budget line Incidental Expenditure is comparatively hardly used. This is due to the reservation of budget from this budget line for the organisation of 12 workshops, regional completion seminar and the Study Tour Western Europe.

## 4.3 Constrains, Risks and Assumptions

### 4.3.1 Market Research and Action Plan

#### Constrains

None.

#### Risks

None.

#### Assumptions

None.

### 4.3.2 Feasibility Study Ro-ro Ferry Terminal Samsun & Pre-Feasibility Study Port of Filyos

#### Constrains

For the first part of the work done for the Samsun and Filyos project, the project team visited several times Ankara, Samsun and Filyos for obtaining information from the project stakeholders. In the second



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stage, several plans for both ports have been developed based on the information received. For the further detailing and finishing of the work, design and planning tools available at the home offices are required. Therefore relatively more time is required at home than in the region during this period. In consultation with the EU, the EU confirmed that the 80% - 20% division of work may be relaxed as long as the majority of the man-days will be spent in the Black Sea area.

### **Risks**

#### ***Samsun***

The port Samsun is under privatisation process. This may imply a risk for the masterplan project of the port of Samsun as new plans and ideas from the new owner may not be in line with the original reasons behind the masterplan presently working on.

#### ***Filyos***

It appears to be very difficult to obtain reliable data about the throughput figures of the port of Zonguldak. In addition, there are different rumours about the future of the port of Zonguldak; information was received that the port of Zonguldak will be closed. However, also information was received that the facilities presently in operation in the port of Zonguldak will remain functioning. This will have significant impact on the potential cargo flow for the future port of Filyos.

Information about the plans considering the developments of the Filyos River (flooding protection works, dam construction and canalisation of the river) is not available. There is a risk that the port plans at this moment being prepared will not fit with the plans DSI has made for the Filyos River.

During the different meetings held in Ankara it became clear that the departments and ministries involved in the development of the Filyos river area are not aware of each other plans. The lack of communication and information exchange between these authorities may lead to plans (for example the works for the river and the plans for the new port) that are not consistent.

### **Assumptions**

None.

### **4.3.3 Safety and Security**

#### **Constrains**

Designated Person of each country for Black Sea SASEMAS should be agreed to verify ships and ports/ports facilities security plans

#### **Risks**

Designated Person assignment is a key job. The choice should be carried out carefully for knowledge, understanding, proficiency and motivation of the candidates.

#### **Assumptions**

It is assumed that the BS SASEMAS will be acceptable for the five countries in the future.



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### 4.3.4 Port Community Systems

#### Constrains

None.

#### Risks

The output of the second phase depends to a large degree on the success of the workshops. There are two risks:

- the workshops will be insufficiently attended due to
  - lack of interest or
  - due to a scheduling conflict with another event that the invited participants want to attend.
- the workshops will be attended by the “wrong” participants,
  - i.e. participants who do not have the necessary background, expertise, seniority or authority to contribute effectively to the workshops.

To minimize these risks extensive attention is devoted to the preparation of the workshops and the invitation of the participants in cooperation with the National Secretaries (with preparatory visits to the National Secretary and the local partner in each project country).

#### Assumptions

None.

### 4.3.5 PPP and Bankable Projects

#### Constrains

None.

#### Risks

The output of the second phase depends to a large degree on the success of the workshops. There are two risks:

- the workshops will be insufficiently attended due to lack of interest or due to a scheduling conflict with another event that the invited participants want to attend.
- the workshops will be attended by the “wrong” participants, i.e. participants who do not have the necessary background, expertise, seniority or authority to contribute effectively to the workshops.

To minimize these risks extensive attention is devoted to the preparation of the workshops and the invitation of the participants in cooperation with the National Secretaries (with preparatory visits to the National Secretary and the local partner in each project country).

#### Assumptions

None.



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### 4.4 Update of Logframe

	Intervention logic	Objectively Verifiable Indicators	Sources of Verification	Assumptions
<b>Overall objectives</b>	<p>To facilitate trade along the corridor Europe- Black Sea Region-Caucasus- Central Asia by increasing its competitiveness and attractiveness as stated in the Basic Multilateral Agreement for International Transport for Development of the Europe-Caucasus-Asia corridor.</p> <p>Taking into consideration the strategic importance of the Black Sea in terms of regional transportation, the project should contribute to develop effective maritime links and improved hinterland connections. They should better comply with customer requests and best practices in corridor development and thus attract continuously more cargo and concentrate the freight traffic on multi-modal maritime-based logistical chains connecting the European TEN-Corridors with the TRACECA multi-modal transportation network.</p>	<ul style="list-style-type: none"> <li>Relative increase of transport in TRACECA region, especially on Black Sea maritime link</li> <li>Level of trade along the corridor Europe- Black Sea Region-Caucasus- Central Asia</li> <li>Customer satisfaction (periodically)</li> <li>Corridor Competitiveness Due Diligence</li> <li>Project monitoring</li> </ul>	<ul style="list-style-type: none"> <li>Transport statistics</li> <li>Trade statistics</li> <li>Questionnaires</li> <li>Independent audits</li> <li>Balance Scorecards</li> </ul>	<ul style="list-style-type: none"> <li>Continued adherence to the principles laid down in the Basic Multilateral Agreement for International Transport for Development of the European Caucasus –Asia corridor.</li> </ul>
<b>Project purpose</b>	<p>To create the basis for improved maritime links in the Black Sea region. This relates to reliable, safe, secure, competitive and efficient shipping and port services and to enable viable links with the Trans European Networks mainly with regard to rail ferry, Ro-Ro ferry and container services.</p>	<ul style="list-style-type: none"> <li>Time schedules (frequency) and prices of transport services</li> <li>Number of accidents, incidents</li> <li>Service level due diligence (pricing, connectivity, reliability)</li> <li>Level of investments</li> </ul>	<ul style="list-style-type: none"> <li>Websites of service providers or market prices as indicated in contracts</li> <li>National and mode specific statistics</li> <li>Port statistics</li> <li>User questionnaires, etc</li> <li>Sector service level reviews</li> </ul>	<ul style="list-style-type: none"> <li>Continued co-operation between (indicated) TRACECA counties and international bodies, e.g. EU</li> <li>Continued expansion of international trade links</li> <li>Political stability in the TRACECA region and the region at large</li> <li>Continued efforts for co-operation within the TRACECA region, aimed towards promoting the increased competitiveness of the TRACECA corridors</li> <li>The involved TRACECA countries and the institutions involved will give full support to the project and are strongly committed to project objectives.</li> </ul>



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	Intervention logic	Objectively Verifiable Indicators	Sources of Verification	Assumptions
<b>Results</b>	<p>The following four results are defined:</p> <ol style="list-style-type: none"> <li>1. An in-depth market research of the actual maritime transport situation in the Black Sea</li> <li>2. A Feasibility study on the provision of a better Road – Sea (ro-ro) combined transportation with specific regard to Samsun and a pre-feasibility study for the Port of Filyos (prior to the full feasibility study to be launched at the beginning of year 2009)</li> <li>3. A country-wise ISPS Implementation concept</li> <li>4. A pilot scheme for efficient port communication</li> <li>5. An analysis of the applicability of Public Private Partnerships as a mean to increase project feasibility and facilitate project realisation</li> </ol>	<ul style="list-style-type: none"> <li>• Provision of market research report</li> <li>• Provision of a detailed feasibility study</li> <li>• Level of ISPS compliance for ports and shipping</li> <li>• Provision of port communication report and implementation strategy</li> <li>• Provision of PPP institutional analysis report and insight in bankability of various projects in the region within a PPP framework</li> </ul>	<ul style="list-style-type: none"> <li>• Final report</li> <li>• Final report</li> <li>• Compliance reviews</li> <li>• Final report</li> </ul>	<ul style="list-style-type: none"> <li>• The pilot scheme for improved communication and information system can draw on experiences with information systems in Poti and Illiyehevsk port established in the framework of the TRACECA programme</li> <li>• Common (approach towards) legal and organisational bases of the Beneficiaries' maritime administrations.</li> <li>• Rules and regulations are not subject to variations and interpretation</li> <li>• Appropriate classification of ships under operation</li> </ul>
<b>Activities</b>	<p><i>Result 1: An in-depth market research of the actual maritime transport situation in the Black Sea</i></p> <ol style="list-style-type: none"> <li>1.1. Collect and analyse data</li> <li>1.2. Develop scenarios</li> <li>1.3. Carry out sensitivity analysis</li> <li>1.4. Development of an action plan</li> </ol> <p><i>Result 2: A Feasibility study on the provision of a better Road – Sea combined transportation with specific regard to Samsun &amp; pre-feasibility study for the Port of Filyos</i></p> <ol style="list-style-type: none"> <li>2.1. Review of project alternatives</li> <li>2.2. Technical feasibility assessment</li> <li>2.3. Environmental impact assessment</li> <li>2.4. Financial feasibility assessment</li> </ol>	<p><u>Inputs:</u></p> <p>Key experts:</p> <ul style="list-style-type: none"> <li>• Team leader: 24 man-months</li> <li>• Other key experts: 34 man-months</li> </ul> <p>Short-term experts:</p> <ul style="list-style-type: none"> <li>• Senior international experts: 25 man-months</li> <li>• Senior local experts: 25 man-months</li> </ul>	<p><u>Costs</u></p> <p>Fee budget on key experts and short-term experts</p> <p>Incidental expenditures on:</p> <ul style="list-style-type: none"> <li>• Local and regional transport costs;</li> <li>• Travel costs for missions to be undertaken as part of this contract from the regional office in Sofia to other partner institutions in the region and between</li> </ul>	<ul style="list-style-type: none"> <li>• Relevant data and supporting documents are made available to the project team</li> <li>• Assistance in providing insight in tariff structure</li> <li>• Assistance in providing insight in the adequacy of hinterland connections</li> <li>• Full support and commitment from project partners</li> <li>• Relevant data and supporting documents are made available to the project team</li> <li>• Assistance in providing insight in cost structures for rehabilitation and construction works</li> <li>• Willingness to use outputs of feasibility studies as input for decision making on optimal level of investment</li> </ul>



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	Intervention logic	Objectively Verifiable Indicators	Sources of Verification	Assumptions
	<p><i>Result 3: A country-wise ISPS Implementation concept</i></p> <p><b>3.1. Review of ISPS implementation</b></p> <p><b>3.2. Elaboration of relevant guidelines</b></p> <p><b>3.3. Identification of bottlenecks</b></p> <p><b>3.4. Propose implementation concept</b></p> <p><b>3.5. Organise workshops</b></p> <p><b>3.6. Identification and formulation of projects</b></p> <p><i>Result 4: A pilot scheme for efficient port communication</i></p> <p><b>4.1. Review of findings from previous studies</b></p> <p><b>4.2. Define and implement pilot project</b></p> <p><b>4.3. Disseminate findings to other ports</b></p> <p><i>Result 5: PPP and Bankable Projects</i></p> <p><b>5.1. Determination and analysis of state-of-the-art PPP structure and activities per country</b></p> <p><b>5.2. Identification of bankable projects</b></p> <p><b>5.3. Assessment of applicability of PPP</b></p> <p><b>5.4. Recommendations per country</b></p>	<p>See: <a href="#">project planning overview</a></p>	<p>the regional offices;</p> <ul style="list-style-type: none"> <li>• Subsistence allowances for expert missions in the region;</li> <li>• Office rent and running costs incl. Office communication;</li> <li>• Translation of training materials and other relevant documents,</li> <li>• Seminars and Workshops to be conducted.</li> </ul> <p>See: <a href="#">financial proposal</a></p>	<ul style="list-style-type: none"> <li>• Access to information regarding security</li> <li>• Access to port sites and ability and support to interview stakeholders</li> <li>• Willingness to share findings from the pilot project</li> <li>• Willingness to share experiences from Illiychevsk and Poti</li> <li>• Cooperation from EC task manager on defining pilot project</li> <li>• The ability to define united communication systems and the willingness to accept these</li> </ul>



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# 5 Project Planning

## 5.1 Overall Planning

			2008												2009															
			November				December				January				February				March				April							
			weeknr.	45	46	47	48	49	50	51	52	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17		
<b>1. Market Research &amp; Action Plan</b>																														
	Draft report Market Research																													
	Action Plan Seminar	Istanbul	5 June																											
	Report Action Plan Seminar																													
	Final Report Market Research																													
<b>2. Samsun &amp; Filyos</b>																														
<b>A. Samsun Ro-ro Terminal Feasibility Study</b>																														
	Establish Planning Criteria																													
	Traffic Forecast																													
	Terminal Planning																													
	Cost Estimates																													
	Financial Analysis																													
	Environmental Scoping Study																													
	Samsun stakeholders workshop	Ankara	week 3																											
	Report Samsun Ro-ro Feasibility Study																													
<b>B. Port of Filyos Pre-Feasibility Study</b>																														
	Review of Existing Feasibility Study																													
	Collect and Review Data																													
	Port Users' Requirements																													
	Preparing Traffic Forecasts																													
	Project Development Requirements																													
	Develop Port Layout Alternatives																													
	Evaluation of Port Layouts (incl. Environmental Assessment)																													
	Indicative Cost Estimates																													
	Filyos stakeholders workshop	Ankara	4 November	x																										
	Report Filyos Pre-Feasibility Study		end Dec.																											
<b>3. Safety and Security</b>																														
	Framework integrated S&S management system																													
	Preparations country training sessions S&S	Sofia																												
	Training session Bulgaria (3 days)	Burgas	4-6 Nov.																											
	Training session Georgia (3 days)	Batumi	week 6																											
	Training session Turkey (3 days)	Istanbul	week 48																											
	Training session Ukraine (3 days)	Odessa	week 51																											
	Training session Romania (3 days)	Constantza	week 3																											
	Contribution Maritime Safety Conference	Varna	2-3 Oct.																											
	Final Report Safety & Security																													



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			2008										2009															
			November				December						January				February				March				April			
			weeknr.	45	46	47	48	49	50	51	52	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17
<b>4. Port Community Systems</b>																												
	Framework PCS development																											
	Preparation Pilot PCS - Varna																											
	Preparation workshop Turkey	2 Sep.																										
	Preparation workshop Georgia	week 51																										
	Preparation workshop Bulgaria	30 Sep.																										
	Preparation workshop Romania	2 Oct.																										
	Preparation workshop Ukraine	16 Sep.																										
	Workshop Turkey	Ankara 11-12 Nov.																										
	Workshop Georgia	Batumi week 7																										
	Workshop Ukraine	Odessa 25-26 Nov.																										
	Workshop Bulgaria	Burgas 13-14 Jan,																										
	Workshop Romania	Constantza 20-21 Jan.																										
	Study tour PSC Western Europe	week 11																										
	Final Report PCS																											
<b>5. Public Private Partnership</b>																												
	Port PPP Framework																											
	Preparation workshop Turkey	2 Sep.																										
	Preparation workshop Georgia	week 51																										
	Preparation workshop Bulgaria	30 Sep.																										
	Preparation workshop Romania	2 Oct.																										
	Preparation workshop Ukraine	16 Sep.																										
	Workshop Turkey	Ankara 11-12 Nov.																										
	Workshop Georgia	Batumi week 7																										
	Workshop Ukraine	Odessa 25-26 Nov.																										
	Workshop Bulgaria	Burgas 13-14 Jan,																										
	Workshop Romania	Constantza 20-21 Jan.																										
	Final Report PPP																											
<b>Overall</b>																												
	Progress Report 3																											
	Presentation Progress Report to EC	Brussels begin Dec.																										
	Completion Seminar	Sofia 26 March																										
	Final Report																											





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## 5.2 Work Plan for the next reporting period

### 5.2.1 Feasibility Study Ro-ro Ferry Terminal Samsun & Pre-Feasibility Study Port of Filyos

Herewith follows an overview of all activities that are to be done in the next reporting period with regard to the feasibility study for the ro-ro terminal at Samsun and the pre-feasibility study for the Port of Filyos.

#### Feasibility Study Ro-Ro Terminal Samsun

- Task 1 Establish Planning Criteria (partly done and presented on 18 September 2008 in Ankara, to be finalized in January 2009)
- Task 2 Traffic Forecast (partly done and presented in Ankara on 18 September 2008, to be finalized in December 2008.
- Task 3 Terminal Planning (partly done and presented on 18 September 2008 in Ankara, to be finalized in February-March 2009 – Specific meeting in Ankara scheduled on 17 February 2009)
- Task 4 Cost Estimates (January – March 2009)
- Task 5 Financial Analysis (February – March 2009)
- Task 6 Environmental Scoping Study (December 2008 – March 2009)

#### Pre-Feasibility Study Port of Filyos

- Task 1 Review of Existing Feasibility Study (completed)
- Task 2 Collect and review data (completed)
- Task 3 Port User Requirements (almost completed, to be amended following the stakeholder meeting of 4 November 2008 in Ankara)
- Task 4 Preparing Traffic Forecast (almost completed, to be amended following the stakeholder meeting of 4 November 2008 in Ankara)
- Task 5 Project Development Requirements (partly done and presented on 4 November 2008 in Ankara, to be finalized in November 2008)
- Task 6 Develop Port Layout Alternatives (partly done and presented on 4 November 2008 in Ankara, to be finalized in November-December 2008)
- Task 7 Evaluation of Port Layouts (December 2008)
- Task 8 Indicative Cost Estimates (December 2008)

### 5.2.2 Safety and Security

Training workshop Safety & Security in Burgas, week 45  
Training workshop Safety & Security in Istanbul, week 48  
Training workshop Safety & Security in Odessa, week 51  
Training workshop Safety & Security in Constantza week 3/2009  
Training workshop Safety & Security in Batumi week 6/2009

Present the Black Sea SASEMAS at the Completion Seminar in Sofia, 26 March 2009.

Final report Safety & Security.

### 5.2.3 Port Community Systems

In the next reporting period the joint PCS–PPP national workshops will be conducted. The dates and venues of four of the five workshops have already been determined:



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1. Workshop PCS/PPP in Turkey/Ankara (10-14/11/2008)
2. Workshop PCS & PPP in Ukrain/Odessa (24-28/11/2008)
3. Preparative meeting Georgia/Tbilisi (15-18/12/2008)
4. Workshop PCS/PPP in Bulgaria/Varna (12-15/01/2009)
5. Workshop PCS/PPP in Romania/Constantza (19-23/01/2009)
6. Workshop PCS/PPP in Georgia/? (tbn), normally scheduled Week 7 (to be confirmed during preparative meeting Nr. 3)
7. European study tour Week 11/2009
8. Closing seminar in Bulgaria/Sofia: 26/03/2009

The date of the workshop in Georgia has not yet been fixed.

- o The preparative meetings with the local partner and the National Secretary will take place on 16 and 17 December 2008 in Tbilisi.
- o The workshop has been tentatively scheduled in the week7 of February 2009.

The objectives of the workshops are to address areas of improvement in ICT-awareness and PCS practices that have been observed in the project countries in the course of phase 1. The main points of improvement identified are:

- o familiarity with port community actors, port mgmt models and their relations;
- o better functional and financial preparation of ICT/PCS
- o standardisation of definitions, models and procedures.
- o Existing PCS services/systems, off-the-shelve models (if existing)
- o Differences between the systems/applications of the various port community actors
  - Terminal Operators' systems (Navis, Cosmos, HPC, INC,...)
  - Port Authority systems (mainly for ship's arrival/shift/departure norification, dang. Goods, crew/pass lists, Waste disposal/collection, ...)
  - Customs' systems (status NCTS, AES, AEO, SAD,,...)
  - Through
    - Mailbox exchange
    - Central DB
    - integrators
    - www
    -

In the workshops these areas of improvement will be addressed by:

- o creating awareness & willingness by planners and decision-makers;
- o demonstration of developed Varna-demo
- o showing examples of best practices.
- o pinpointing most efforts on the importance of PCS
  - as a result of the nowadays 'transparency' in the supply chain, better communication is an element of competitiveness
  - weighing of the pro/contra, a (financial) SWOT-analysis, a mutual agreed approach

The workshops consist of a mixture of presentations by the key experts and group discussions of the participants.

In the group discussions the workshop participants are invited to give their opinion on the material that was presented, and to discuss which PCS/PPP models and practices are best applicable to their particular ports/country.

The results of the group discussions will be integrated into the final report.



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#### 5.2.4 PPP and Bankable Projects

In the next reporting period the joint PCS–PPP national workshops will be conducted. The dates and venues of four of the five workshops have already been determined:

- 11-12 November 2008, Ankara, Turkey;
- 25-26 November 2008, Odessa, Ukraine;
- 13-14 January 2009, Varna, Bulgaria;
- 20-21 January 2009, Constanta, Romania.

The date of the workshop in Georgia has not yet been fixed. The preparatory meetings with the local partner and the National Secretary will take place on 16 and 17 December 2008 in Tbilisi. The workshop has been tentatively scheduled in the week of 9 February 2009.

The objectives of the workshops is to address areas of improvement in PPP practices that have been observed in the project countries in the course of phase 1. The main points of improvement identified are:

- familiarity with PPP models, especially BOT;
- better economic and financial preparation of PPP tenders, before putting them on the market;
- balancing of economic interests (low-cost ports in the service of economic development) and financial interests (profit maximisation) in the assessment of alternative financing and exploitation models;
- standardisation of procurement models and procedures.

In the workshops these areas of improvement will be addressed by:

- creating awareness by planners and decision-makers;
- demonstration of evaluation of alternative financing options (using 4P assessment framework developed in phase 1);
- showing examples of best practices.

The workshops consist of a mixture of presentations by the key experts and group discussions of the participants. In the group discussions the workshop participants are invited to give their opinion on the material that was presented, and to discuss which PPP models and practices are best applicable to their particular ports/country. The results of the group discussions will be integrated into the final report.



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### **5.3 Requests for Budget Deviations and Project Extension**

No requests for budget deviation and project extension are foreseen during this reporting period.



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## Annex A List of Visits and Meetings in the Reporting Period



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Date & Location	Organizations	Persons	Team
07/05 Samsun	Port authority of Samsun (TCDD)	Mr. Temel DEMIR, Port Director Mr. Yahya ARSLANDAG, Deputy Port Director Mr. Birol BAFRA, Port Operations Manager Mr. Levert ANARAT, Chief Pilot	Mr. Edwin Lock Mr. Ewout van der Reijden Mr. Ozan Kuyumcuoglu Mr. André Merrien
08/05 Samsun	Port authority of Samsun (TCDD)	Mr. Burhan KEMAL, Port Facility Security Officer (PFSO)	Mr. Ewout van der Reijden Mr. Ozan Kuyumcuoglu Mr. André Merrien
08/05 Samsun	Port authority of Samsun (TCDD)	Mr. Yahya ARSLANDAG, Deputy Port Director	Mr. André Merrien Mr. Ozan Kuyumcuoglu Mr. Ewout van der Reijden
08/05 Samsun	Ulusoy Shipping Inc.	Mr. Üçüncüoğlu (Coordinator)	Mr. André Merrien Mr. Ozan Kuyumcuoglu Mr. Ewout van der Reijden
11/06	Meeting with Traceca NS Turkey	Mr. İzzet Işık, NS Mrs. Seçil Özayanık, NS Mrs. Irem Elvan, DLH Mrs. Ulya Lekili, DLH Mr. Hayati Özcan, TCDD Mr. Levent Pirci, TCDD MM. Emre Dinçer, Oguz Sekmen, Tuncer Urganci & Okan Ar, Maritime Affairs	Mr. André Merrien Mr. Xavier Dolbeau Mrs. Gönül Ertürer
12-13-14 June	Filyos Site Visit	Deputy Mayors of Filyos and of Caycuma Fishermen	AM, XD and Gönül Ertürer
16-17 June	Samsun Site Visit	Mr. Temel DEMIR, Port Director Mr. Yahya ARSLANDAG, Deputy Port Director	AM and Gönül Ertürer
28-31/7	UND, Roder, Emes/Arkas, Ceynak	Mrs Evren Bingul, Hüseyin Kiyak/Ali Gülkanat, Mr. Süleyman Avcı	Mr. Ozan Kuyumcuoglu Mr. Klaas Westerkamp
27/8	Chamber of Commerce, Zonguldak	Chairman and directors of Chamber of Commerce	
18/09 Ankara	Traceca NS	Mr. İzzet Işık, TRACECA Turkey Mrs. Seçil Özayanık, TRACECA Turkey Mr. Mennan Ersöz, TCDD (Ports) Mrs. Nükhet Benzer, DLH (Environment) Mrs. Simten Özden, DLH Mrs. Ülya Lekili, DLH Mr. Göktuğ Kara, EC Delegation in Ankara Mr. Osman Fatih Giraz, Maritime Affairs Mr. Tornike Gotsiridze, EU Monitor	Mrs. Gönül Ertürer Mr. Klaas Westerkamp Mr. Ewout van der Reijden Mr. André Merrien
13/10- 17/10 Ankara	Traceca NS, DLH DSI	Mr. Tozar (14/10) Mrs. Ulker Yetgin (DLH on 14/10) Mr. Nazmi Kağnicioğlu (DSI on 16/10) Mrs. Ulker Yetgin (DLH on 16/10)	Mrs. Gönül Ertürer Mr. Ewout van der Reijden Mr. André Merrien



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Week 36//2008 Ankara Turkey	National Secretary Ministry of Transport TCDD	S. ÖZYANIK, Traceca assistant ISIK, Traceca-Dep. NS M. ERSÖZ, TCDD port mgmt Ü. KEKILI, DLH B. SÖNMEZ, Mar. Under-secretariat B. YILDIRIM, Mar. Under-secretariat E. DINCER, Mar. Under-secretariat Ö. AYAZ, DLH	Mr. Peter VERWAERDE Mr. Johan GAUDERIS Mr. Ozan KUYUMCUOGLU
Week 38/2008 Kiev Ukraine	National Secretary Ministry of Transport	Mr. Hrygoriy LEGENKY, TRACECA National Secretary, Director of the Department for Development and Coordination of Transport Systems Mrs. Tatyana DYACHENKO, expert of TRACECA National Secretary Mrs. Antonina KUZMENKO, Deputy Director of the Department for Development and Coordination of Transport Systems	Mrs. Ekaterina BASSOVA Mrs. Tatyana SUNDUKOVA Mr. Peter VERWAERDE Mr. Johan GAUDERIS
Week 40/2008 Sofia Bulgaria	National Secretary Bulgarian Ports Infrastructure Company	Mrs. Vessela GOSPODINOVA, Dep. Minister – Traceca Nat. Mr. Roussi IVANOV, ambassador – Director 'Coordination of EU-affairs & Intern. Cooperation' Mr. Angel ZABURTOV, BPICy-Dep. General Director Mr. KUSMANOV, BPICy-Director VTIMS & RIS	Mrs. Kristiana CHAKAROVA Mr. Peter VERWAERDE Mr. Johan GAUDERIS
Week 40/2008 Bucharest Romania	National Secretary Port of Constanta (MPAC)	Mr. Ionut Dezideriu IORDACHE, Traceca National Secretary Mrs. Laura Niculae, MPAC Mr. Iancu HAGI, MPAC Mr. Victor DUMITRESCU	Mr. Ion Cucev Mr. Peter VERWAERDE Mr. Johan GAUDERIS
Week 43/2008- Sofia Bulgaria	Software house	Various	Mrs. K. CHAKAROVA Mr. Peter VERWAERDE



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## Annex B Action Plan Seminar, Istanbul – Programme & Participants





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**Programme Seminar “Action Plan”  
Project Results Year 1 & Plan Year 2**

Venue: Seminal Hotel  
Istanbul, Turkey

**Wednesday, 4 June 2008**

Arrival participants / transfer from airport to hotel

**Thursday, 5 June 2008**

09.00 – 09.30 Registration

09.30 – 09.45 Opening seminar

Mr Boris Tozar, TRACECA National Secretary Turkey  
Mr Edwin Lock, Royal Haskoning, Team leader

09.45 – 10.30 Project result 1: Market Analysis – The Maritime Potential of the Black Sea  
Region

Mr Klaas Westerkamp, NEA Transport research and training

10.30 – 11.00 Project result 2: Samsun Ro-Ro and Port of Filyos – Port Developments on the  
Turkish Black Sea Coast

Mr Andre Merrien, Egis Bceom International

11.00 – 11.45 Coffee/tea break

11.45 – 12.30 Project result 3: Maritime Safety and Security – An Integrated Approach

Mr Bertrand Apperry, Egis Bceom International

12.30 – 14.00 Lunch

14.00 – 14.45 Project result 4: Port Community Systems – The Road into the 21<sup>st</sup> Century

Mr Peter Verwaerde, Royal Haskoning

14.45 – 15.15 Coffee/tea break

15.15 – 16.00 Project result 5: Public Private Partnership & Bankable Projects – How to  
Finance Port Investments

Mr Johan Gauderis, Royal Haskoning

16.00 – 17.00 Questions and Overall Discussion

17.00

Closure of Seminar  
Mr Edwin Lock, Royal Haskoning, Team leader

**Friday, 6 June 2008**



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Transfer to airport

Note: The working languages of the seminar are **English** and **Russian**.

**Participants**

**Azerbaijan**

Nazim Mamedov TRACECA Maritime Expert

**Bulgaria**

Tanjo Ivanov Head of Unit Marketing and European Integration Port of Burgas  
Silvina Bakardzhieva Junior Jurisconsult Executive Agency Port Administration  
Zhivko Zhelev Safety Officer Port of Burgas  
Anton Pashov EA "Maritime Administration", on behalf of the National Secretariat

**Georgia**

Ramaz Bejanidze Batumi Sea Port Administrative Manager  
Zviad Chkhartishvili Head of Poti Port Marketing Department

**Romania**

Ionut Iordache TRACECA National Secretary  
Viorel Olea Vice General Manager Naval Department of the Ministry of Transport  
Daniel Razvan Jarnea Economist Marketing Department of the Commercial Directorate

**Turkey**

Izzet Isik Deputy TRACECA National Secretary  
Secil Ozyanik TRACECA Assistant  
Emre Dincer Maritime Expert, Undersecretariat for Maritime Affairs  
Hayati Ozcan Deputy Head of Ports Department Turkish Railways  
Serdar Gorur Deputy Manager of Derince Port  
Yahya Arslanoglu Deputy Manager of Samsun Port  
F. Ulker Yetgin Head of the Port Project Department General Directorate of Railways,  
Harbors and Airport Construction  
S. Ulya Lekili Deputy Chief of the Head of the General Directorate of Railways,  
Harbors and Airport Construction  
Bulent Akbas General Director of Hopa Port

**BSEC**

Ambassador Altai Efendiev Deputy Secretary General Permanent International Secretariat  
Organization of the Black Sea Economic Cooperation  
Yevgen Koziy Executive Manager of Transport

**Ukraine**

Aleksey Myaskovskiy Head of Legal and Tender Procedure Service Port of Odessa  
Anatoliy Lytsenko Deputy Head of Unit for Development and Investments Port of  
Illyichevsk



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## Annex C Draft Market Report Port of Filyos



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**Market report Filyos**

**General information**

Background

Based on the 2006/2007 TINA study, which showed strong growth of maritime transport in relation to Turkey, the Turkish government has taken the initiative to develop the port of Filyos in the Zonguldak region. The objective has been to create a new port with a capacity of in first instance 15 million tonnes and later up to 25 million tonnes, handling a range of traffics including containers, fuels, and other bulk commodities such as ores and grain. In addition it is intended that new industrial development will occur at the port location, further supporting the market base for the port.

In 1991 the Japanese company JICA made a feasibility study for the port, but due to legal problems the port could until now not be realised. The expected traffic flows and the increasing containerisation have triggered the Turkish Government to start up the development of the port of Filyos again.

The development of Filyos meets the port requirements of the region of Zonguldak and its hinterland and can support the decongestion of the Istanbul area by attracting transports destined for Istanbul and/or for passing the Marmara Straits.

In the context of the pre-feasibility study, it is not possible to examine in depth the full market potential since many variables still exist in terms of the facilities that the port might offer, and the local land use. However it has been possible to review the existing studies, and combine their outcomes with recent analysis of TRACECA maritime links, as well as local market research.

**Highlights of the JICA study**

The JICA study essentially concluded that, on the basis of a detailed engineering study, a new port could be constructed with 3,800 metres of quay and 20 metres of water depth. The cost was estimated to be \$1.5bn (in 1991), and on the basis of a cargo throughput of around 7m tonnes per annum by 2000 (approximately 18m by 2010) the project would yield 5.7% as an internal rate of return. In addition the study reported:

- The role of Filyos would be to provide efficient maritime transport links to Ankara, Zonguldak, Kastamonu, Cankiri and Bolu. Now Haydarpara is the port for Ankara Metropolitan area (AMA).
- Filyos would handle 10-15% of Haydarpara cargo.
- Distance Haydarpara – Ankara = 450 and Filyos – Ankara = 250 km, Samsun – Ankara = 420 km
- Good road, rail and communication systems would be needed.
- Possible saturation in ports in Marmara Sea, and increasing traffic jams.
- Filyos will most likely not serve as a container feeder port for the Black Sea area because volumes are too small.

The following table shows the traffic projections for the port of Filyos made by JICA in 1991. The key sectors were expected to be containers and dry bulk. General cargo was not expected to grow, because of higher rates of containerisation.

Table 1: Traffic projections JICA study 1991

	2000	2010
Containers	TEU 97,000	TEU 270,000
General cargo	0.8 mio tonnes	0.8 mio tonnes
Dry bulk	5.5	14.9 (iron, ore, coal, scrap, steel)



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Of the bulk cargo, the majority was expected to be iron ore, coal, iron and steel, with grain and wood added by 2010 because of portside development. The only domestic traffic assumed to be handled at Filyos was iron ore, plus iron and steel.

At the time of the JICA study, total demand for international port traffic in Turkey was expected to be in the region of 200 million tonnes by 2010.

### Highlights of the TINA study

#### Traffic Volumes Turkey:

The TINA study created a transport master-plan for Turkey as a whole. In 2004, it found that the total estimation of traffic at Turkish ports had reached 200 million tonnes in 2005, implying that with an allowance for domestic cargo, the JICA forecast was likely to be exceeded by 2010.

Regarding Filyos, the study concluded that:

“The port of Filyos will be constructed in the Zonguldak region. Sea transport via the Zonguldak region increases from 8.5 million tons in 2004 to 24.57 million tons in 2020 (for LTI and ALT scenarios). It can be expected that the majority of the growth in this region will be effectuated in the new port of Filyos. As this facility does currently not exist the impact of it might not have been totally reflected in the estimated demand, so the future demand can be higher.”

The study recommended that additional port capacity of 25 million tonnes be provided in Filyos by 2020, within a more widespread set of port expansion plans.

#### Hinterland connections:

The TINA study shows that the section Kırıkkale (Ankara region) – Zonguldak is one of the busiest sections in terms of rail freight traffic with 2.8 mio tons per year. In the Reference scenario for the year 2020 6.0 mio tons is predicted for this railway section, in the Long-Term Investment scenario the predicted volume is 6.7 mio tons, while in the Alternative Investment scenario the predicted volume is 6.8 mio tons.

The hinterland connection to the port of Zonguldak mentioned in the TINA study is the railway line Zonguldak - Karabük - Çankırı - Irmak with a total distance of 415.19 km. On the railway line section Irmak-Karabük-Zonguldak the signalling is being improved. According to the TINA report a planned additional railway line is Adapazarı – Karasu -Zonguldak - Bartın with a total length of 281.00 km. In the Long-Term Investment scenario the railway section Adapazarı - Karasu – Zonguldak is mentioned, as well as electrification of the section Irmak-Karabük-Zonguldak

For improvement of the road infrastructure a dual carriage highway between Istanbul and Zonguldak is planned according to the TINA study. In Reference scenario and LT Investment scenario upgrading of highway required, Zonguldak-Düzce (D010/655) upgrading required to 4 l. upgrading required to 4 lanes

In the final list of priority project the railway section Irmak – Zonguldak is mentioned. Despite the investments made in the Reference and LT scenarios the TINA study mentions additional investments are needed in relation to the Zonguldak area especially after the port of Filyos is realised. The report mentions especially the railway line Irmak-Karabük-Zonguldak. On better access from Anatolia (Ankara) to the Black Sea, section Ankara-Zonguldak/Filyos

#### Current development plans of Filyos



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According to the Turkish Ministry of Transport Filyos should become a combined port and industrial complex with a port capacity of around 15 to 25 million tons. The port capacity has not been subdivided yet in tons by cargo types. A given argument for this is that the port should be flexible towards future developments in the potential markets of the port.

The study team carried out an interview programme in the Zonguldak region. It found:

### Prospects according to stakeholders

- Filyos Port can be the focal point of container transport on the Black Sea region of Turkey. In the current situation there are almost no Turkish ports handling containers on Turkish Black Sea coasts. But in the short term Filyos Port has to be focus on bulk freight, because considering its hinterland like Central Anatolia and East Black Sea, there is not much prospect for container transport. It would be enough to reserve a berth for container terminal in short term.
- If a container terminal would be constructed in Filyos region, very small proportion of the container transport in Istanbul and Marmara region would be oriented to Filyos. Because the amount of the transit containers is weekly 150 TEU, which are going to be transported to the Black Sea region and Central Anatolia. That makes 7200 TEU in a year. As a result Filyos cannot be an alternative for Istanbul in terms of container transport.
- According to Türklüm, the association of private Turkish ports the volume of containers in Filyos will be around 1 mio TEU
- Filyos Port can be an alternative to Bartın Port, which is one of the new ports in the Black Sea region. The most important problem of Bartın Port is its location near to the estuary. Because alluviums are picked by the river at the coast, it diminishes the draft and does not allow big sized vessels to approach the port.
- Especially for fruit and vegetable transport from Mediterranean to Ukraine and Russia, Filyos Port might be a transit centre.
- In two years it is not expected much transport flow in Turkey, but after six years we can expect developments in transportation. So after six years, Filyos has the potential to be a focal point in terms of bulk freight. However, the port shouldn't be a river port. The draft of Filyos port must be enough for big sized vessels to approach the port in order to profit and become an important port on the Black Sea.
- Although there is a good potential for Filyos port, it has to compete with several ports on Marmara and Black Sea in the future: Yusny Port in Ukraine, the container terminal in Constantza, Yıldırım Port on the Marmara Sea and Derince Port.
- Filyos port must be cheaper than the other ports in the region in order to collect the transit cargos. Thus Filyos could be attractive for the shipping companies, which will not be able to find place in other ports and also the companies which will don't have any time problem.
- To operate a functional port in Filyos region, there must be first a strong railway infrastructure.

### Feasibility of Mersin-Filyos Rail Land-bridge

Proposals exist for a rail land bridge connecting Mersin on the Mediterranean coast of Turkey to Filyos on the Black Sea Coast, a distance of some 800km. The concept is to divert some of the maritime traffic currently using the Bosphorus channel onto rail services, thereby reducing congestion in the Istanbul region, and the dependency upon this bottleneck. In view of the rapid expansion of trade within the region, additional capacity is potentially beneficial.

We focus upon the relative costs of the maritime and land-bridge options.

First of all it is evident that the Bosphorus channel is a gateway for a diverse range of shipping services, transporting goods to Turkey as well as its Northern and Eastern neighbours. However, although rail services within Turkey may be attractive for domestic cargo distribution, the land-bridge via port facilities Filyos is only relevant for cargo that will cross the Black Sea to non-Turkish destinations.

A suitable test case would be in relation to container cargo being transported between the Suez Canal and either Ukraine or Russia. At present a high proportion of containerized cargo within the region is import cargo from the Far East. These traffics are typically being brought to Mediterranean hub ports such as Port Said (Egypt), Gioia Tauro (Italy) or Piraeus (Greece) and then transhipped on feeder services into the Black Sea, usually calling at several Russian and Ukrainian ports e.g. Odessa, Illichevsk, and Novorossiysk.



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A comparison can therefore be made between:

Option 1: land-bridge: unloading the cargo at Port Said, and transshipping to Mersin by sea, a distance of approximately 350 nautical miles or one day at sea at a speed of 15 knots. The cargo would then be moved by rail to Filyos (800 km, or approximately 16 hours by rail at 50km per hour), and then transhipped to Odessa (a further 400 nautical miles or 1.5 days at sea ).

Option 2: maritime: unloading at Port Said, and transshipping directly to Odessa, via the Bosphorus. This is a distance of approximately 1,100 nautical miles or approximately 3 days at sea.

At face value, the two routes appear comparable in journey time, but several adjustments need to be made: first the expected delays at the Bosphorus, and second the waiting times in port.

Looking at current schedules for Maersk feeder services in the Mediterranean and Black Sea, the Ukraine Service is offering a transit time of five days between Odessa and Gioia Tauro, similar in distance and routing to Port-Said – Odessa.

The second adjustment is that some waiting time can be expected at any of the transshipment points. Therefore, in addition to the delay at Port Said, option 1 might face an extra half day of delays between Mersin and Filyos, and perhaps two days of delay at Filyos waiting for the connection to Odessa.

On balance, the land-bridge route could be expected to take between 5 and 6 days, whereas the maritime route would be likely to take about 5 days.

It is difficult to generalize about freight rates without conducting more detailed investigation. However an approximate comparison based on the distances and journey times might show:

Option 1: Land-bridge

Port Said to Mersin by Sea	\$200 per FEU
Port Costs at Mersin	\$100 per FEU
Rail Costs to Filyos	\$400 per FEU
Port Costs at Filyos	\$100 per FEU
Filyos to Odessa by Sea	\$200 per FEU
Total Cost	\$1000 per FEU

Option 2: Maritime

Port Said to Odessa by Sea	\$500 per FEU
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The rates are based on a loaded forty foot container (FEU).

On balance, the indication is that the use of a Mediterranean feeder via the Bosphorus would offer a better mix of journey time and quay to quay cost, and with fewer transshipment stages, it is probable that reliability would also be superior.

The important question is whether the railway line in Mersin can cover the transit transport between Filyos and Mersin. To make Mersin - Filyos line effective, a block train has to serve on this line. Also the price is another important subject. The handling fee in Filyos port must be very cheap in order to attract the shipping companies. However, to make a railway connection between Mersin and Filyos ports in order to ease the burden within the straits would be a little problematic. This is because Turkey cannot force the shipping companies to go to Filyos without passing the straits. This would be against the Montreux agreement. Also, if Filyos port could not be a distribution center on the Black Sea, the vessels would prefer the straits to go to Mediterranean. In short term it doesn't seem that Filyos could be a transit center on the Black Sea region. On the other hand, Filyos Port can be attractive for some goods carried from East Marmara region and a part of Aegean region.

To summarize, it does not appear that the land bridge is commercially attractive under current conditions, without taxation for using Bosphorus or extreme increase waiting times, a real alternative for the container flows to the Black sea. If conditions worsen it might become an alternative for specific flows, for example transshipment flows in the Black sea (e.g. direct call to Odessa and transshipment to Poti).



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**Market analysis and updated transport forecast**

In our analysis we will give an overview and a brief discussion of the potential markets, their outlook, uncertainties and information gaps. For example a key uncertainty, certainly in a privatized port landscape as in Turkey, is the development of competitive ports or improvements in alternative ways of transport (e.g. land transport to Ukraine, Russia). The outlook and uncertainties will differ by market segment and therefore it is needed to disentangle the market for Filyos into market segments.

Key markets for the port as mentioned by stakeholders/earlier reports are:

- a. The industrial complex in the port itself.
- b. Closure of Zonguldak port and transfer of its roll-on/roll-off transport to Ukraine/Russia and domestic coal transport to the port of Filyos (located along rail line Ankara-Zonguldak). Zonguldak is the primary coal region of Turkey and increases in production are foreseen (current production around 3.4 million tons).
- c. Port for Black Sea transport from Central Anatolia to and from Russia, Ukraine and Romania. This can be by bulk transport via the railway Ankara – Zonguldak as well as container transport.
- d. Port for Turkish Black Sea region to/from rest of the world (e.g. export of steel to USA or import of coal from Colombia).
- e. Karabuk steel factory is one of the three main factories in Turkey and located along the Ankara- Zonguldak railway. Turkey is the world 13<sup>th</sup> steel producer with 18.3 millions tons in 2003 of which around 10 million tons is exported. Vice versa Turkey also has a substantial iron and steel import of around 7 million tons in 2003. Annual growth rates in iron & steel import and export are substantial and often over 10 % (source presentation “A look for the Iron & steel sector in Turkey” -Muhammet Ali Baştın et al).
- f. Ukraine and especially Russia have become, due to their economic progress, large car importers and exports from the Turkish car manufactures to these countries are important Black Sea trade flows of interest for the port of Filyos.
- g. Transshipment port in the Black Sea container transport.
- h. Container land bridge from Mersin to Filyos which serves as an alternative for maritime transport through the Bosphorus.

Hereunder a description by market segment is given as a result of the brief scan into the market outlook for Filyos. For a full scope market analysis a more in depth study is needed as is currently tendered by the EC. The following research steps have been undertaken to scan the market outlook for the port of Filyos:

- Interviews with key stakeholders
- Use of the trade and transport model in the Maritime Links project to analyze relevant market developments by origin and destination and cargo type (for example the distinguishes 81 regions in Turkey as origins and destinations and NST/R three digit flows as finest commodity type)
- Focus on market outlook for some economic sectors of specific interest for the port of Filyos

Industrial complex in port itself

Although the consultants have visited the Chamber of Zonguldak more detailed information is needed on the expected traffic flows that will be related to the industrial complex in the port itself. Current idea is that this industrial site will focus on industries as iron & steel, cement and coal, however realization and associated freight transport volumes are not known at this stage.

Zonguldak port

The following table gives an overview of the import and export figures of the port of Zonguldak. These figures have to be checked and updated.

Table 2: Import and export figures of the port of Zonguldak

	Import	Export
Coal		
Coke		
Bauxite		
Other ores including salt		
Petroleum Products	95,420	





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Crude oil		23,242
Grain and Cereals	805	
Fertilizers		
Other Chemical, Chemical Products	47,799	
Cement		
Other Construction Materials	64,972	980,769
Scrap Metal		
Other Metal ferrous and non ferrous	35,609	534,983
Timber	3,057	
Wood and its wares	101,641	10,699
Paper	253,185	47,597
Plastics and rubber	665,397	92,166
Cotton	20,942	
Textiles and its wares (other than cotton)	87,261	33,611
Machinery and equipment	339,054	49,276
Products of animal origin	2,676	
Agriculture Products	34,917	113,815
Food Stuff	8,965	314,732
Manufactured Goods and Others	11,541	15,552
Total	1,773,241	2,216,442

Source: Statistics from BAKU (check reliability) other sources indicate much smaller flows of around 800-900 thousand in total  
Note that figures for port of Zonguldak in TINA report include (or are) the transport flows for the port of Erdemir (province Zonguldak) as well.

Observations:

- Most Black sea ports are strong importing ports (e.g. Erdemir, Samsun, Trabzon) reflecting the export dominance from Russia/Ukraine to Turkey (especially in bulk stuff like coal, iron, etc). According to above statistics Zonguldak has a specific position following its RoRo services, more calls than Samsun (12 versus 2) .
- Coal transport from Zonguldak is domestic transport and not included in the figures. Currently coal from the Zonguldak region is transported to Zonguldak port by rail, loaded and shipped to Erdemir port (40-50 km away) and from there shipped on or used as a resource for Erdemir steel factory;
- More information is needed on regarding the development of a dedicated private coal port. What is the capacity of this port? Is this port replacing coal transport from Zonguldak?

Transport to/from Central Anatolia, Turkish Black Sea region and South-Eastern Turkey to Russia, Ukraine and Romania

The trade model has been used to analyze the trade flows and trade developments between Turkey and the Black Sea countries of Russia, Ukraine and Romania. For the Black sea countries of Georgia and Bulgaria land transport is a more efficient option. Not all regions in Turkey are included as transport flows from Western Turkey are expected to use the well developed ports in the Sea of Marmara and transport flows from the far east of Turkey have the port of Trabzon as best located alternative. As the port of Filyos does not target to become an oil port the analysis includes General Cargo, Semi Bulk (unitised forest products, iron, steel, palletised cargo), Dry Bulk (ores, coal, agriculture products, other dry bulk), Car/Other.

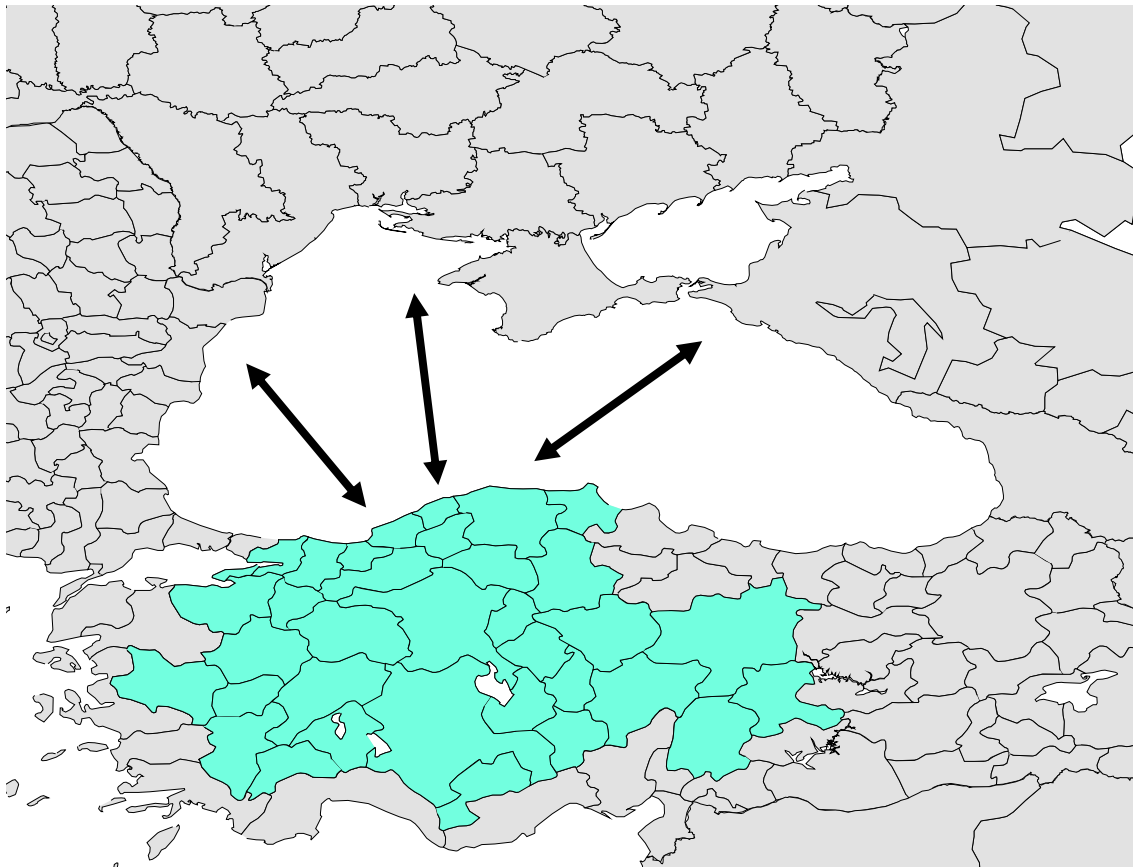
For the container transport potential developments in general cargo and semi solid bulk are of specific interest.

It should be noted that the analysis describes the potential market for the port of Filyos for which Filyos has to compete with other ports and road transport options.



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Map of zones involved in the analyses

**Table 3: Trade flows between Central Turkey and Russia, Ukraine and Romania, 2005 (to be updated)**

	General cargo	Semi Bulk	Dry Bulk	Car/Other	Total
Export to					
Russia	320,833	210,759	136,003	20,713	688,308
Ukraine	82,404	37,988	128,119	1,547	250,058
Romania	213,782	148,906	98,788	18,108	479,584
<b>subtotal</b>	<b>617,019</b>	<b>397,653</b>	<b>362,910</b>	<b>40,368</b>	<b>1,417,950</b>
Import					
Russia	961,667	3,132,061	505,0412	8,926	9,153,066
Ukraine	267,042	2,146,699	1,151,858	6,594	3,572,193
Romania	355,042	877,427	610,610	15,323	1,858,402
<b>subtotal</b>	<b>1,583,751</b>	<b>6,156,187</b>	<b>6,812,880</b>	<b>30,843</b>	<b>14,583,661</b>

Observations:

- Import flows are a factor 10 larger than export flows. Dominant flows are SB flows from Russia/Ukraine reflecting rich natural resources and heavy industry in these countries. This also illustrates that flows from Central Turkey to Russia and Ukraine are still relatively small;
- Currently these flows are handled by the port of Samsun, Zonguldak, Erdemir or ports in the Sea of Marmara (lack of container handling facilities in the three black sea ports). Furthermore, road transport between Turkey and Ukraine/Russia is also rising and currently around 120.000 vehicles a year (it should be noted that these figures are for whole Turkey and trade data above covers only central Turkey). Estimates of UND are that around 20% of the trucks is using the RoRo option on this route.



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**Table 4: Trade flows in 2020 between Central Turkey and Russia, Ukraine and Romania (to be updated)**

	General Cargo	Semi Bulk	Dry Bulk	Car/Other	Total
Export to					
Russia	1,638,962	1,207,325	725,248	114,085	3,685,620
Ukraine	429,545	229,720	896,223	8,156	1,563,644
Romania	260,260	188,957	128,290	18,619	596,126
<b>Subtotal</b>	<b>2,328,767</b>	<b>1,626,002</b>	<b>1,749,761</b>	<b>140,860</b>	<b>5,845,390</b>
Import					
Russia	1,449,105	4,790,513	7838,335	8,238	14,086,191
Ukraine	709,689	4,672,272	3,459,680		8,841,641
Romania	571,501	1,282,063	1,359,709	25,311	3,238,584
<b>Subtotal</b>	<b>2,730,295</b>	<b>10,744,848</b>	<b>12,657,724</b>	<b>33,549</b>	<b>26,166,416</b>

Observations 2020:

- Export flows to Russia and Ukraine have a very high increase of a factor 4 (around 10% a year). Reason is that the economic progress in the Ukraine and especially Russia provide these countries with the financial resources for a strong growth in their import volumes;
- As the export flows do contain much more products which can be containerized than the import flows the market for containerized transport is also growing strongly;
- Geopolitical instability in the region is an important scenario uncertainty. The forecast is based on what might be called a historical level of instability for the region; therefore improved stability is likely to result in higher figures and vice versa increased instability in lower. Further it should be noted that this are long term forecasts and in the short run the developments might be dominated by specific conflicts;
- For containerized transport the factor is likely to be much higher than average resulting from an increased level of containerization. If we apply a modest level of containerization in 2020 (50% of GC, 20% of semi bulk and 10% of dry bulk) the container market is around 700 thousand TEU a year. If containerized transport becomes more mature (75% of GC, 30% of semi bulk and 10% of dry bulk) the size of the container market is above 1 million TEU a year. Please note that RoRo is part of this market.
- The trade developments show that Filyos is part of fast growing market, overall a factor 2 in 15 years and even a factor 4 for export flows.

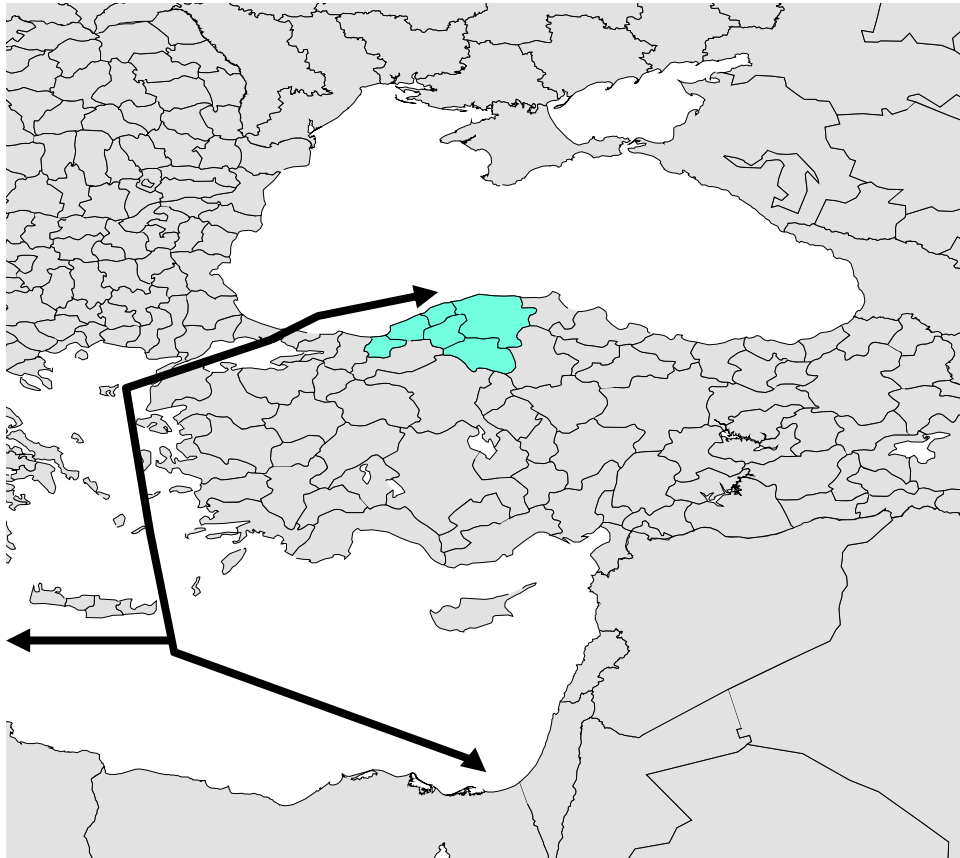
Port for Turkish Black Sea region to/from rest of the world

For potential the trade flows for the port of Filyos between Turkey and the rest of the world a much smaller geographical area is included in the analysis as trade flows from central and southern Turkey have more efficient (no need to pass Bosphorus, shorter sea distance and larger scale ports) alternatives via the ports in the sea of Marmara or at the South coast of Turkey. The included hinterland within Turkey for these flows covers the regions of Duzce, Zonguldak, Karabuk, Bartin, Kastamonu and Cankir. The rest of the world does not include the black sea countries.



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Map of zones included in analysis

Table 5: Flow to/and from direct hinterland of Filyos to rest of the world

	General cargo	Semi Bulk	Dry Bulk	Car/Other	Total
2005					
Export	263,568	1,172,735	1,486,519	49,908	2,972,730
Import	72,950	572,292	3,208,595	6383	3,860,220
<b>Total</b>	<b>336,518</b>	<b>1,745,027</b>	<b>4,695,114</b>	<b>56,291</b>	<b>6,832,950</b>
2020					
Export	395,712	1,829,170	2,047,613	79,521	4,352,016
Import	143,019	1,178,489	5,068,111	8,375	6,397,994
<b>Total</b>	<b>538,731</b>	<b>3,007,659</b>	<b>7,115,724</b>	<b>87,896</b>	<b>10,750,010</b>

Observations:

- The import and export from the region surrounding Filyos consist mainly of semi bulk and bulk products. The export is strongly focused on the USA and mainly contains steel industry related products (note that this market might be very sensitive to protection policies of USA Government – like increases in import trade tariffs). The import is more divers and main countries exporting to this region are the USA, Colombia (mainly coal) and Brazil (agricultural products);
- The growth rate is much more modest than for the Black sea transport in the section above and for all flows around 3% a year;
- The market for containerized transport is limited as the general cargo flows are modest. Based on assumption of high levels of containerization (East Asia, USA) by NSTR 3 digit product group the number of containers can be just under the 300,000 TEU. If we apply a more modest level of containerization is applied than the size of the containerized market is around 140,000 TEU.
- The competition for the port of Filyos differs for solid bulk and containerized transport. Under assumption that the port of Zonguldak will be closed, as soon as Filyos opens, then the competition for solid bulk flows consist of the



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port of Erdemir and Bartın. Although it should be noted that these flows are often related to site specific industry such as the steel industry in Erdemir. For the containerized flows competition will exist with the ports in the sea of Marmara.

### Industries of specific importance

The steel industry in Karabuk, coal mining in the Zonguldak region and growing car exports from Turkey to Ukraine/Russia are of specific interest for the port of Filyos. The steel industry is very international in its nature and Turkey is both an important importer (often from Ukraine and Russia) and exporter (mainly to USA) of iron related products (Turkey is the world 13<sup>th</sup> steel producer). In 2004 Turkey exported around 12 million tonnes of steel & iron products and imported 8 million tonnes (source state planning organization). In the period 1998 – 2004 steel imports show a growth rate of 8% a year and exports of 11-12% a year. The Zonguldak region is very important for the Turkish steel industry as out of the three main steel factories one is located in the region Eregli (port of Erdemir) and one is located in the inland neighbouring region Karabuk which is connected by railway to Zonguldak.

The coal production in the Zonguldak region is for domestic purpose as Turkey is a net importer of coal and there is government control over the coal mining industry. Coal is brought by railway to Zonguldak and from there it is shipped to Erdemir. Based on interviews with the Chamber of Commerce the coal production is around 3,5 million tonnes in the region.

### Potential as Black Sea transshipment port

This potential seems small due to heavy competition from ports in the Sea of Marmara and ports in Greece outside the Black Sea and the ports of Constantza, Illichevsk and Odessa within the Black sea. All these ports have direct calls from Asia and have scale advantages resulting from the combined scale of hinterland and transshipment transport. The size of hinterland container transport for the port of Filyos is limited in comparison with these other ports and direct calls are unlikely in the near future.

### **Overall market outlook**

Combining segments, use of scenario approach to give bandwidth, for example:

- Minimum replacement option, replacing Zonguldak and applying growth factor (around 3) to this market volume, for bulk transport this results in 2020 in 8 to 12 million tonnes.
- Additional bulk market share (space limitations port of Samsun, Erdemir) can consist of
  - Industrial site in port itself, further information from region/port plans is needed to estimate additional flow from this development
  - Realization of improved hinterland (rail, road) connection can be used to attract more bulk transport to port (higher market share), projection total bulk market to/from Black Sea countries and Rest of World is substantial with 32 million tonnes, in the higher scenario an additional 3 million tons is assumed.
- There is potential for a container facility in this part of the Black sea region as Trabzon is far to the East and flows from the Sea of Marmara need to pass the Bosphorus. If Filyos can realize, by establishing a high quality container facility and shipping connection, a market share of 40% for the central Turkey – Ukraine/Russia market and 50% for the direct region surrounding Filyos and rest of the world, container volumes in 2020 are projected to be between 440,000 and 700,000 TEU (approximately 4 to 6.5 million tons). This container forecast includes RoRo transport as well.
- The potential for general cargo (non-containerized) is limited as current flows are small. A small facility 0.5 to 1 million tonnes seems sufficient

The tables below combine the above in two scenarios for Filyos.

Table 6: Scenarios for the development of the port of Filyos 2020

<b>Conservative forecast Filyos 2020</b>				
	General Cargo	Dry Bulk	Containers	Total
Mio tonnes	0.5	8	4	12.5
TEU (*1000)			420	
<b>Higher forecast Filyos 2020</b>				
	General Cargo	Dry Bulk	Containers	Total
Mio tonnes	1	15	6.5	22.5
TEU (*1000)			700	



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- Please note that these figures are no more than a market scan and a more in depth forecast with a better representation of competitive alternatives (e.g. costs through ports sea of Marmara – to Ukraine) and potential facilities/services and costs in the port of Filyos itself is needed to do a more in depth market research.
- After 2020 a continuing but lower growth rate might be expected as the results in the period up to 2020 are positively influenced by a catching up effect of trade between Turkey and Ukraine/Russia and high increases in the level of containerization.
- Some important uncertainties with a big impact on the forecasted volumes are:
  - Geopolitical instable relationship with Russia and instability in the Ukraine;
  - The export flow to the rest of the world is not very diverse from the region and shows a high reliance on steel related exports to the USA;
  - In a privatized port landscape such as in Turkey it is uncertain if competition port facilities will be realized in the coming 15 years
  - The future rail ferry connection between Samsun and Russia could have an influence on the attractiveness of Filyos for bulk cargo.

### Conclusions

1. As a pre-feasibility study, the main sources of information are the existing 1991 master plan for Filyos, the TINA report (2007), the TRACECA study concerning prospects for maritime links in the Black Sea and the interview programme carried out by the consultants in Turkey.
2. In this context, it has not been possible to review the plans for the port design, the expected construction costs, the revenue forecasts, or by implication, the expected rate of return.
3. However, it has been possible to update the market analysis, and to assess the validity of the other studies.
4. To this end, the JICA proposal for a facility capable of handling containers and a mix of dry bulk and semi-bulk cargo is broadly supported. With the expected closure of Zonguldak, an unverified (because several data sources conflict on this point) expected 3-4m tonnes of international cargo would transfer to Filyos. In addition, Filyos would be able to compete effectively for additional cargoes into and out of the immediate hinterland.
5. Our estimates show for the port of Filyos a substantial market for dry bulk and container transport. Following two scenarios the port of Filyos could attract between 12.5 and 22.5 million tonnes of cargo in 2020.
6. If the port development plan would include (as set out by JICA) additional industrial complexes, it is also possible for the plan to bring new traffic into the hinterland of Filyos.
7. Compared to the 2020 TINA forecasts, this would imply that Filyos would attract more than 40% of the port traffic in the Zonguldak region by tonnage.
8. At this stage, preliminary analysis indicates that the Filyos-Mersin land bridge option is approximately twice as expensive as the direct sea route through the Bosphorus, and the reliability and transit times seem not very positive. It is therefore not part of the expected volume.

### Recommendations

It is evident, that the market potential identified in 1991 for the port of Filyos still exists, and in fact the indications from more recent market reports indicate that market growth is exceeding original expectations, and with the rapid growth of the sector experienced between 2001 and 2005, there are good prospects for the markets that Filyos can realistically serve, i.e. with respect to the North-South Axis between Ankara to the North of the Black Sea (Ukraine, Russia, and Ukraine).

However, to realise a full feasibility study, several items need to be addressed:

1. Greater certainty is required in relation to the mix of cargoes within the region. Several available sources are potentially conflicting, and greater detail is required concerning the data definition and the true mix of traffic in Zonguldak and Ereğli in particular. This should include confirmation of both international and domestic cargoes.



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2. Analysis of the maritime sector within Turkey is hindered by the fact that no official statistical source exists with a comprehensive record of all maritime flows (international and domestic) for all Turkish ports (public and private sector). Without this, there is a great deal of uncertainty about recent traffic evolution. This would be a pre-requisite for further analysis.
3. The mix of facilities in the port design needs to be reviewed in light of current traffic volumes, and additional market research.
4. To this end it is also necessary to improve and update the analysis of transport costs in the region, and to revise this in view of the network enhancements set out by the TINA study. This is necessary to define in greater detail the potential catchment area of the port.
5. The understanding of transport costs must also include a more detailed understanding of the potential revenue streams for the port. From this basis, and with reference to updated construction cost estimates it would be possible to consider financial feasibility of the project.
6. Furthermore it is necessary to consider the ship deployment patterns in the container sector and to combine this with an updated understanding of shipping costs, in order to consider in more detail the prospects for a land-bridge.
7. The influence of the future rail ferry connection between Samsun and Russia needs to be estimated.



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## Annex D Draft Working Paper: Black Sea Common Integrated Management System for Maritime Safety & Security





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During the action plan seminar in Istanbul a presentation on the results 3 has been carried out. In order to achieve the result 3 important activities have been proposed:

- 1) Common management system for safety and security in the 5 participating countries
- 2) Common structure to operate the system
- 3) Prepare workshops training in order to explain the system
- 4) Prepare guidelines for implementing and running the system

### 1) Common management system

The assessment carried out during phase one has shown that safety and security of shipping and port activities have been taken into account by the five countries. As anywhere in the world the full compliance with mandatory rules or regulations and the taking into account of the industry guidelines are more or less carried out and need some time rectifications and improvement.

To ensure the compliance with referential, today every industry use a management system.

Our objective is to facilitate the shipping traffic and port operations by harmonizing the operations based on international rules or guidelines and controlling their correct implementation. A common integrated management system will ensure this compliance

The basic of a common management system is to ensure the compliance with referential defined in the system. Referential must be the International rules and regulations when existing and the appropriate international guidelines when international rules are missing.

NB National rules or regulations will be taken into account in the respective country only.

The referential will be explained during the training workshops and proposition of a similar approach for compliance will be issued. The referential are mainly the European regulations which include IMO/ILO mandatory rules on one hand, and guidelines issued by IMO/ILO or the industry on the other hand.

These referential include:

- Safety of shipping (companies and ships) in the five countries for companies situated in the countries and operating ships under the 5 flags involved.
- Safety of marine operations in all ports of the 5 countries
- Safety of port operations in the five countries
- Security of ships and ports in the five countries

These specific activities are normally covered with specific management systems which must be in conformity with international or national requirements. When management system does not exist, the common management system will propose a suitable one.

The common management system will ensure that all these systems are working.

Finally, the common management system will be built as all management systems to-day.

We propose to call it **BLACK SEA MARITIME SASEMAS** (Safety and Security Management System).



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## 2) Common structure to operate the system

### Steering committee

As proposed in the report N°1, the operating structure will be built with representatives of the five countries in a steering committee.

These representatives will be designated by the corresponding government.

This steering committee will ensure the correct operation of the SASEMAS by:

- Verifying the activities of the Designated Persons
- Issuing instructions or guidelines for correction or improvement of the system
- Reviewing the system when needed
- Report the their own government

The members of the steering committee should be of a high level in the Maritime and/or port Administration and is a part time activity.

### Designated Persons

Designated persons will be in charge of the day-to-day running operations of the BS SASEMAS.

These persons will be designated by the 5 corresponding governments. The main task of the DP will be to verify if shipping companies or port operators are following the requirements of the common integrated system. The job description will define the details of these tasks, authority and responsibilities.

Each country will designate one or more persons with substitutes. The main tasks are to verify the safety and security aspects of the shipping industry in his country inside the common system. These verifications are mainly composed of inspections and audits. The common system will permit to participate to a cross mutual verification between the 5 DPs. A cross check system of verification will ensure the harmonization of all measures implemented and will gain a profitable benchmarking between the 5 countries.

The DPs will be also in

These DPs report to the steering committee. They hold necessary agreements for the control of ports, companies and ships.

This is a full time job and needs a suitable secretariat system.

## 3) National and regional training workshops

To explain the system national workshops will be organized first.

Marine and Port Administrations, Shipping and port operators federations will be invited.

The training sessions will be organized under a basis of 14 hours of course including round tables to get the feedback from the attendees.

The content of the BS SASEMAS will be studied and the chosen referential deeply recalled.

This training is specific and requires a good practice of English and sufficient knowledge about management of maritime safety and/or security

The good average number of attendees is 12.

A control of understanding will be carried out at the end of each training session.



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#### 4) **Preparing guidelines for implementing and running the system**

After the completion of the training workshops, guidelines will be issued for the creation and implementation of the BS SASEMAS.

An information booklet will be issued in order to explain the system to shipping and port operations authorities

Instructions will be also issued for training of DPs



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## Annex E Tentative Programme S&S training workshops



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**Programme Training Workshop Safety & Security**

<b>Tuesday</b>		
13.00 - 13.30	Registration	
13.30 - 13.45	Opening	Edwin Lock Project manager
13.45 - 14.00	Introduction: <ul style="list-style-type: none"> <li>summary of project results Safety &amp; Security for phase 1 of the project</li> </ul>	Capt. Bertrand Apperry Safety & security expert
14.00 - 15.30	Presentation of an Integrated Safety and Security Management System (SASEMAS): <ul style="list-style-type: none"> <li>structure of the system, referential, organization, requirements and implementation, verification structure, improvement process</li> </ul>	Capt. Bertrand Apperry
15.30 - 16.00	Coffee break	
16.00 - 17.00	Safety of shipping: <ul style="list-style-type: none"> <li>International and EU requirements, link with MOUs, verification of conformity</li> </ul>	Capt. Bertrand Apperry
<b>Wednesday</b>		
09.00 – 10.15	Safety of Port Operations, part 1: <ul style="list-style-type: none"> <li>study of ILO guidelines, definition of requirements</li> </ul>	Capt. Bertrand Apperry
10.15 - 10.30	Coffee break	
10.30 – 11.30	Safety of Port Operations , part 2: <ul style="list-style-type: none"> <li>definition of referential, verification of conformity</li> </ul>	Capt. Bertrand Apperry
11.30 – 12.15	Round table & questions on management of safety in shipping and ports, including how to conduct the verifications (internal audits)	Capt. Bertrand Apperry
12.15- 13.30	Lunch	
13.30-14.45	Security of Shipping: <ul style="list-style-type: none"> <li>referential (ISPS and EU regulations and directives), necessity of harmonisation of SSA and SSP</li> </ul>	Capt. Bertrand Apperry
14.45- 15.00	Coffee break	
15.00 – 16.00	Security of Port Facilities: <ul style="list-style-type: none"> <li>referential (ISPS, EU regulations) necessity of harmonisation of PFSA and PFSP</li> </ul>	Capt. Bertrand Apperry
16.00-16.15	Break	
16.15- 17.00	Port Security: <ul style="list-style-type: none"> <li>EU regulations, PSA &amp; PSP, relationship between Port Facilities and Ports</li> </ul>	Capt. Bertrand Apperry
<b>Thursday</b>		
09.00-10.15	Round table & questions on management of maritime and port security, including how to conduct the verifications (internal audits)	Capt. Bertrand Apperry
10.15-10.30	Coffee break	
10.30- 11.45	Implementation of SASEMAS: <ul style="list-style-type: none"> <li>functional aspects of the SASEMAS, including necessary training of persons in charge, future prospects (Black Sea Coast Guards)</li> </ul>	Capt. Bertrand Apperry
11.45- 12.30	Round table & questions on the functional aspects of the proposed SASEMAS, including operational tools	Capt. Bertrand Apperry
12.30	Closure of the training workshop	Edwin Lock



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## Annex F Tentative Programme PCS-PPP Workshops



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**Programme Training Workshops Port Community Systems and Public Private Partnership**

Tuesday	Topic	By
09:30 – 10:00	Registration	
10:00 - 10.15	Welcome & opening  Introduction & presentation of participants	Representative TRACECA National Secretary  Edwin Lock, Project manager
10:15 – 10:30	1. Introduction: what are the “real” bottlenecks for PCS and PPP?	Peter Verwaerde Johan Gauderis
10:30 – 11:00	2. Port actors and communication flows 2a. Maritime communications -> standards 2b. Supply/Logistics chain – Phys/digital flows 2c. Physical carriers 2d. Port community actors 3. What is a PCS? 3a. What is a PCS? 3b. Physical document vs. EDIFACT, Mapping 3c. Different systems	Peter Verwaerde
11:00 – 11:30	Coffee break	
11:30 – 12:30	4. Technical approaches PCS 4a. Conceptual/technical approach 4b. Antwerp, Rotterdam model 4c. Author’s impression log-in screens 4d. Live demo (Harbour Masters’ Msgs)	Peter Verwaerde
12:30 – 14:00	Lunch	
14:00 – 15:45	5. Group discussion: What are the costs and benefits of a PCS for your port or organisation?	Peter Verwaerde & Johan Gauderis
15:45 – 16:15	Coffee break	
16:15 – 16:45	6. What is required to develop PCS? 6a. Some thoughts on how to start 6b. Requirements	Peter Verwaerde
16:45 – 17.00	7. Final questions and closure of day 1	Peter Verwaerde & Johan Gauderis
19:00	Dinner	



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<b>Wednesday</b>		
09:00 – 09:30	1. Aside: Port management models	Johan Gauderis
09:30 – 10:00	2. Financial & organisational models for PCS	Johan Gauderis
10:00 – 10:30	3. Financial& organisational models for PPP	Johan Gauderis
10:30 – 11:00	Coffee break	
11:00 – 11:10	4. Feasibility of PPP	Johan Gauderis
11:10 – 11:30	5. Desirability of PPP	Johan Gauderis
11:30 – 12:30	6. Group discussion: What is the best PCS–PPP model for your port? What are the bottlenecks to implement a PCS–PPP in your port? How can these bottlenecks be removed?	Peter Verwaerde & Johan Gauderis
12:30 – 14:00	Lunch	
14:00 – 15:00	7. Best practices in selecting and implementing PPP	Peter Verwaerde & Johan Gauderis
15:00 – 15.15	8. Final questions	Peter Verwaerde & Johan Gauderis
	9. Closure of workshop	Edwin Lock

**NOTES:**

- The working language of the workshops is English. However when required, translations are to be provided.





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## Annex G Report Distribution List



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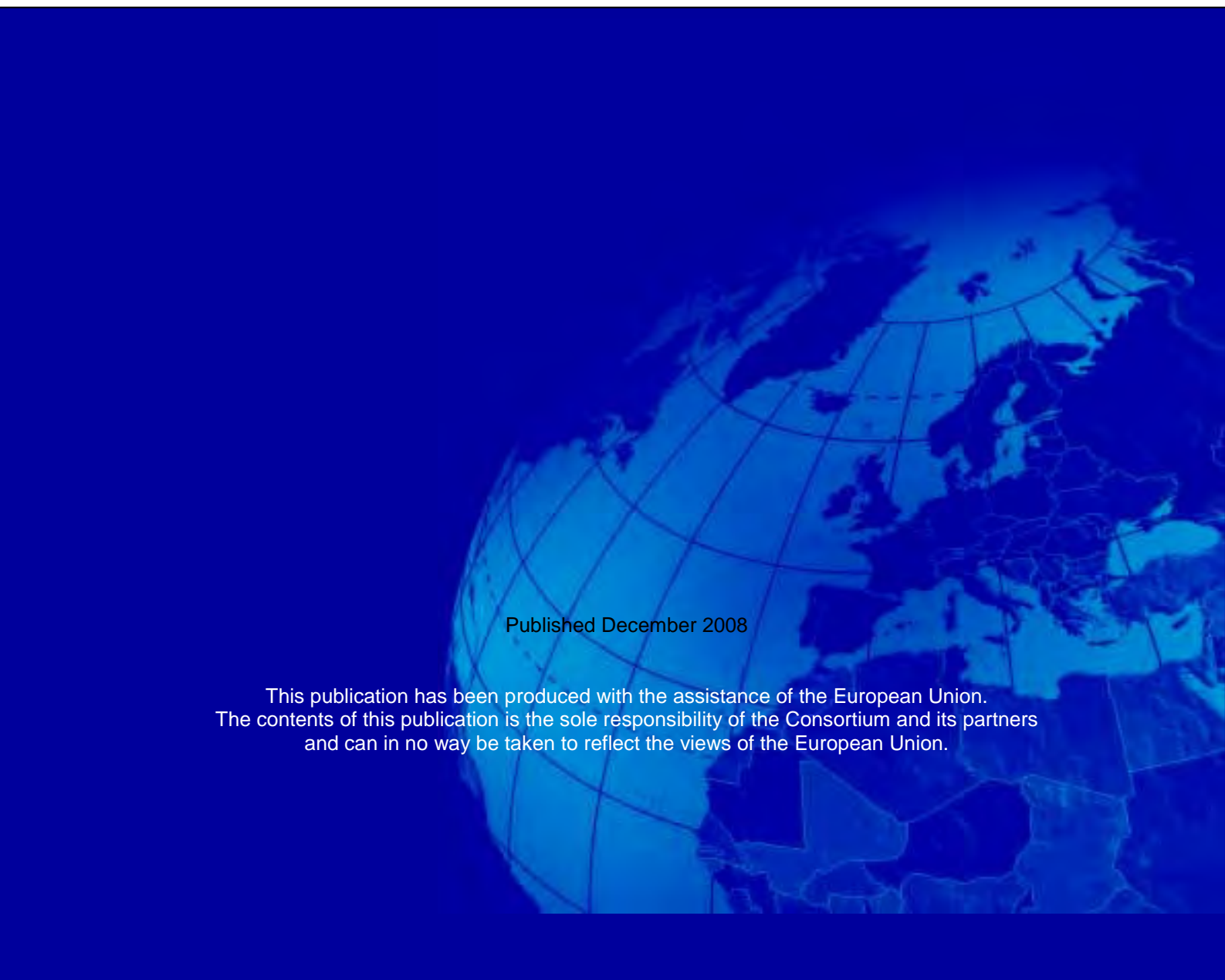
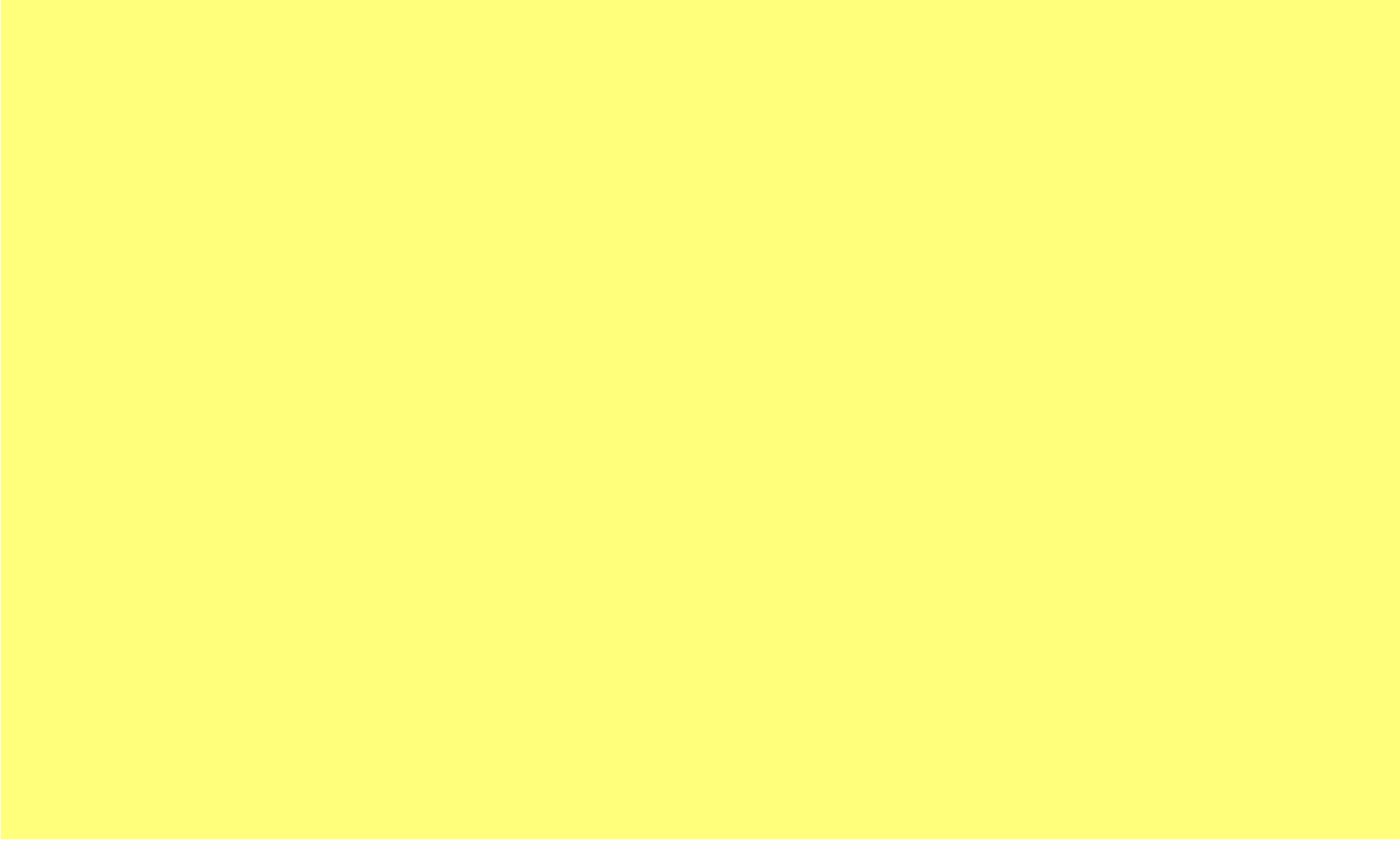
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