

EuropeAid 2012/308-293

IDEA II

Transport Dialogue and Networks Interoperability

Sixth Interim Progress Report

June 2016



This project is implemented by TRT Trasporti e Territorio
in association with Dornier Consulting GmbH, Panteia Group and Lutsk University



TRT TRASPORTI E TERRITORIO SRL

To the kind attention of
Mr. Akif MUSTAFAYEV
TRACECA National Secretary of
Azerbaijan
8/2, Aliyarbekov street
AZ 1005, Baku
Azerbaijan

Milan, October 2016

*Submission of the Sixth IDEA II Project Interim Progress Report and of the Final report
(TRACECA 2012/308-293)*

Dear National Secretary,

On behalf of the entire IDEA II Project Consortium, it is my pleasure to hand over to you a copy in English and Russian (hard copy and electronic format) of the Sixth Project Interim Progress Report and of the Final Report of our Project.

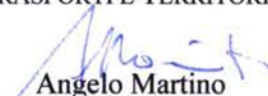
The Sixth Project Interim Progress Report includes as well two annexes, one on the Border Crossing Benchmark exercise for the EaP region and one on the Business Plan for the exploitation of the Campus website by the TRACECA Universities network.

The Final report includes one annex with the Projects Prioritisation methodology.

Eventually, you will also find enclosed an additional copy of the EaP Study with its annexes.

Kind regards

TRT TRASPORTI E TERRITORIO SRL


Angelo Martino
Project Coordinator



*Limitatamente
alla sede di Milano

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REPORT COVER PAGE

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23. Turkmenistan – to be determined	1	1	1
24. TRACECA Permanent Secretariat, Baku	1	1	1



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LIST OF ABBREVIATIONS

BCP	Border Crossing Point
CA	Central Asia
CBA	Cost Benefit Analysis
EaP	Eastern Partnership
EBRD	European Bank for Reconstruction and Development
EC	European Commission
EIB	European Investment Bank
ENPI	European Neighbourhood Partnership Instrument
EU	European Union
GIS	Geographic Information System
IFI	International Financing Institution
IGC	Intergovernmental Commission of TRACECA countries
KE	Key Expert
MCA	Multi Criteria Analysis
MLA	TRACECA Multimodal Transport Agreement
MoS	Motorways of the Sea
MoU	Memorandum of Understanding
MSS	Maritime Safety and Security Project
NIF	Neighbourhood Investment Facility
RSS	Road Safety and Security
STEs	Short-term Experts
TA	Technical Assistance
TEN-T	Trans-European Transport Network
ToR	Terms of Reference (of the present project, unless stated otherwise)
TRACECA	Transport Corridor Europe-Caucasus-Asia
TRACECA NS	TRACECA National Secretary,
TRACECA PS	TRACECA Permanent Secretariat
TRACECA SG	TRACECA Secretary General
WB	World Bank



1 The IDEA II project

1.1 Objectives of the project

The main aim of the IDEA II (Transport Dialogue and Networks Interoperability) project is to strengthen economic relations, trade and transport links between the EU and the programme's participating countries. The participating countries are Azerbaijan, Armenia, Bulgaria, Georgia, Kazakhstan, Kyrgyzstan, Moldova, Romania, Tajikistan, Turkey, Turkmenistan, Ukraine and Uzbekistan. The project will contribute to the development and implementation of regional transport policy actions such as the relevant actions of the TRACECA Action Plan 2010-2013 related to infrastructure development, the facilitation of multi-modal transport and the harmonisation of transport legislation.

On operations, measures set out by the Commission aim at ensuring the interoperability between the EU transport systems and those of neighbouring countries. Of the beneficiary countries, Armenia, Azerbaijan, Georgia, Moldova and Ukraine, are part of the Eastern Partnership initiative, which seeks closer approximation of those countries with the EU.

Results to be achieved, indicators, constraints and assumptions are laid out in the Project Logical Framework Matrix (Annex 2 of the Inception Report). Specific project purposes are as follows:

- Contribute to projects identification, projects definition and appraisal leading to mobilisation of funding. Help to prepare and implement regional infrastructure projects, through providing studies, developing business and master plans, analysing financial and technical feasibility including Public Private Partnerships.
- Strengthen the political and transport dialogue mechanisms between the European Commission (EC), Eastern Partnership and TRACECA beneficiary countries, other project stakeholders and IFIs, by achieving effective communication and dissemination of activities and results of the TRACECA programme.
- Support the implementation of the IGC Long-Term Strategy until 2015 and related Action Plans, through assistance to the TRACECA Permanent Secretariat and member countries.
- Adapt the regulatory framework with a specific focus on sector reforms in order to facilitate the flows of goods within the beneficiary countries and between the beneficiary countries and outside.



1.2 Project data sheet

Project starting date: 16 January 2013

Project duration: Three years + three months extension (39 months in total)

Project value: Total value of the Project is Euro three point five (3.5) million, of which provisions for staffing and related expenditures is Euro two point five (2.5) million and for incidental expenditure Euro one (1) million

Key stakeholders: Ministries of Transport, Ministries of Trade & Economy, Customs Authorities, IFIs, Commercial Banks, International Road Carriers, Freight Forwarders, NGOs, Transport users at large

The Project has five work components:

1. Ensuring dialogue and coordination
2. Infrastructure and network
3. Attracting funds
4. Training and capacity building
5. Communication, visibility and information



2 Summary of project activities

2.1 Premise

During the sixth period the IDEA II project activities were focused on the following tasks:

- (i) the study on the Bystroe canal and Kiliya arm in the Danube delta, which was quite significant in terms of experts' efforts and missions and was successfully completed in November 2015;
- (ii) the preparation of the EaP transport projects pipeline, which is still going-on;
- (iii) the completion of the Border Crossing Points benchmarking, which was completed at the end of the reporting period;
- (iv) the preparation of the CAMPUS and TRACECA universities network business plan that, completed by January 2016, led to the following step of the university network agreement.

Due to the timing of the task for the EaP transport projects pipeline and to the need to complete the universities network task, the IDEA II project has been extended for three months and will be closed on 15 April 2016.

The activities carried out in this reporting period as well as the plans for their completion in the next period are described in the following sections according to their classification along the five project components.

2.2 Component 2: Infrastructure and network planning

Two tasks were carried out under this component: the TRACECA Border Crossing Points benchmarking and the study on the current situation and likely development of the Bystroe canal and Kiliya arm in the Danube delta. Both tasks are completed.

2.2.1 Border Crossing Points benchmarking

The Border Crossing Points benchmarking Index is proposed by the IDEA II project as an interactive barometer tool for TRACECA countries to help them identify the performance challenges and bottlenecks of their respective border crossing points as seen by the transport industry.

Development of a Border Crossing Points benchmarking activity was completely new to the beneficiaries. TRACECA stakeholders were involved in the formulation of the approach, development of surveys, communication, political endorsement, and provided support to organization of physical examinations. The Border Crossing Points benchmarking was prepared for EaP countries and for the Caspian Ports. The survey and analysis could be extended to other modes and countries.

The methodology provides a unified calculation approach, a benchmarking tool for the comparison of border crossing points' friendliness and attractiveness for users. The methodology proposes a survey for the identification of problems at border crossings. The selected indicators and sub-indicators were: i) release time; ii) cost; iii) customs procedures; iv) clearance process efficiency; v) risk component.



The ownership of the process by the TRACECA national experts group remains unquestionable. The methodology was discussed in detail at a workshop, and only the endorsed indicators were taken into further consideration. The selection of border crossings, as well as the one for the methodology of online surveys, was carried out by the experts.

The methodology can be used both within each country and for comparing the level of performance between different countries. The entire methodology is built on the first-hand information collected from freight forwarders, haulage and cargo owners and other stakeholders, and reflects their real experience. For the avoidance of a potential conflict of interest, no data were collected from the public sector.

The data collected in this task were then used for the refinement of the EaP regional transport model parameters. The final report of the task is presented in annex III.

2.2.2 Study on the Bystroe canal and Kiliya arm in the Danube delta

The Danube flows through ten European countries and reaches the Black Sea via its delta where:

- maritime navigation is conducted by seagoing vessels reaching the Danube fairway via navigable canals up to the port of Galati in Romania, where the river section provides the natural necessary water depth for seagoing vessels;
- inland navigation is conducted by barges connecting all the river ports of the lower Danube to Central and Western Europe.

The project under scrutiny is located on the Danube delta and includes the Bystroe canal and the last 170 km of the river, namely in the Kiliya arm. The Kiliya arm is one of the main branches in the final part of the river, which marks the border between Romania and Ukraine. The Bystroe canal, which stems from the final section of the Kiliya arm, is located in Ukrainian territory. It has already been in use in the last century as a navigable way.

The canal has been a topic of discussion between Romania and Ukraine since digging works started in 2004. To Ukraine, the Bystroe canal is strategically relevant as it connects the Black Sea to the EU inland waterway core transport network. More specifically it is the shortest route by which to access the Danube domestic ports of Reni, Izmail and Kiliya.

Since the works on the Bystroe canal began in 2004, the Romanian authorities have claimed that the environmental impact of construction and maintenance of the canal would significantly affect the whole delta region with transboundary effect. Romania has remarked that there would be a replication of what happened when works carried out to dig, straighten and maintain the Sulina canal on the Romanian side of the Danube delta were carried out (more than a hundred years ago).

Despite the many attempts made over the years to reconcile the two countries, the issue remains unresolved with implications that have reverberated over the failure to reach an agreement regarding the definition of the strategic inland waterway transport network of the Eastern Partnership Region.

The Bystroe canal and Kiliya arm study offers an assessment of the situation paying particular attention to the environmental impact of the project. The objectives of the study were to provide a clear and unbiased analysis of the current situation and its possible development to enable the Commission services to make an informed policy decision in this matter.



The study was conducted from July to October 2015 by combining contributions from two sources:

1. Review of available studies and documentation, including
 - Project documentation made available by Ukrainian institutions, including the environmental impact assessment;
 - Reports and studies from various stakeholders/parties e.g. national administrations, bi-lateral committees, NGOs, industry, operators, etc.;
 - Current and future environmental legislative regulations, with a view to the obligations stemming from the EU-Ukraine association agreement;
 - Traffic data and service characteristics on the canal as well as on the whole Danube delta region.
2. Meetings with the interested parties including representatives of the Romanian and Ukrainian ministries and governmental agencies in the transport and environment sectors, local NGOs (Romania and Ukraine), international NGOs, Danube international organizations, etc.

The final conclusions of the study were presented at the EaP Transport Panel of 17 November 2015 in Brussels. Following the comments received by the Romanian delegation and EC DG ENV the final version of the study was delivered in January 2016.

2.3 Component 3: Attracting funds

The activity carried out in this component during the sixth reporting period is the preparation of EaP region transport project pipeline that will be completed in the extension period.

2.3.1 EaP transport projects pipeline

To support the development of a pipeline of transport projects in the Eastern partnership countries a GIS-enhanced web database has been developed. This database supports the management of projects' information by contextualizing each of them on the territory and providing a fast overview of the nearby and/or correlated projects.

The database currently covers 71 transport projects in the six EaP countries including:

1. The list of priority infrastructure projects on the Eastern Partnership regional transport network, as endorsed at the meeting of EU and Eastern Partnership Transport Ministers on 9 October 2013, and updated in January 2015;
2. The infrastructure projects already submitted to IFIs (EBRD, EIB, ADB) including projects already funded as well as project under discussion.
3. The projects mentioned in the LOGMOS Master Plan.
4. The projects already proposed by the national experts of the TRACECA countries participating in the experts' meetings on the LOGMOS Master Plan implementation during the last reporting period.
5. The priority projects of IDEA I and those that had been selected in the initial period of IDEA II.
6. The projects currently being proposed by EaP member states.



Each project is described in a form and (where possible, some projects are not located on a specific link but impact on a wider area,) georeferenced on a map. The map is a dynamic map and can be easily surfed to enlarge the view and get a clear overview of the project location in the EaP region. The map includes also key information on network characteristics collected during the EaP regional transport study.

The shapefiles included into the database are based on those received from TENtec in November 2014 and further elaborated during the EaP regional transport study in the period November 2014-June2015.

The project form (see annex I) provides project information in terms of geographical, technical, economical and temporal aspects.

The database is currently being updated with the inclusion of additional transport infrastructure projects proposed as priority projects by EaP Member States.

2.4 Component 4: Capacity building process

The main activity in the capacity building component is the TRACECA Campus Universities network.

2.4.1 The TRACECA Campus and the Universities network

The TRACECA Campus web tool provides a wide range of applications as learning platform in English and Russian languages; it is operational and the technical take-over of administration rights by Lutsk University is completed. Training for the Lutsk University staff on conversion and upload of documents has been provided.

The TRACECA Universities network has been established for maintenance and exploitation of the Campus as well as for ensuring its sustainability over IDEA II life. On February 2015, eleven Universities signed the Memorandum of Understanding at the kick-off event.

The existing Campus platform will be applied and integrated step by step into the universities activities; either documentation will be uploaded into existing courses or new material will be specially developed. The process is undergoing, Universities network members have been approached and until the end of 2015 positive feedback were received from three institutions that will participate in uploading training and teaching material in the next months.

As foundation for further steps of implementing a working structure and follow-up to the above mentioned MoU, a Business Plan was prepared for the TRACECA Campus University network (see annex II). In parallel, Lutsk University started communication with potential co-financers of the Campus for the initial period of minimum two years.

In order to ensure sustainability and ownership of the TRACECA Campus, a contract for the hand-over of the tool to the Lutsk University will be prepared; this contract will include as annexes the Business Plan and the draft contract to be signed by the institutions joining the University network after IDEA II project ending. The University network will work according to the Business Plan. This, among others, requires a widening of the legal setup /structure for the network's activities according to a process that will take place in a time frame longer than the IDEA II project life.



2.5 Component 5: Communication, visibility and information

Communication activities are related to the TRACECA TA projects website. No further activities are planned for the extension period.

2.5.1 TRACECA TA project website

The IDEA II had produced a stand-alone TRACECA TA projects website according to EU visibility guidelines and in a up to date format. Such a website provides all features that are required for internet visibility. It has a very similar corporate identity like the existing TRACECA PS website, it contains all necessary information about previous TRACECA TA-projects in its data base and has also a similar structure showing: projects, events, news, documents. TRACECA PS, NSs and countries information is provided through the link to the TRACECA PS website.

All interim and final narrative reports, including attached annexes/deliverables of recently finished and ongoing projects under the TRACECA program, are now available on the TRACECA TA projects website. The discussion about the possible coordinated management of the two websites is still not finalized.



3 Project experts missions

Eight missions were carried out by the IDEA II project experts during the reporting period. Six of these eight missions were due to the Bystroe canal and Kiliya arm study and included a site visit in the Ukrainian Danube delta, meetings with national authorities and with international organisations and eventually the trips to Brussels to discuss the study progress and to make the final presentation at the EaP transport Panel.

The other two missions were for the project progress meeting and for the preparation of the TRACECA Campus and universities network business plan.

Mission	Place	Date
Bystroe canal and Kiliya arm study - Site visit to the Danube delta region	Odesa, Vylkove, Izmail, Odesa	22-25 July, 2015
Bystroe canal and Kiliya arm study - Meeting with DG MOVE and DG NEAR	Brussels	27-28 July 2015
Bystroe canal and Kiliya arm study – Meeting with Ukrainian national authorities and agencies	Kiev	2-4 September 2015
Bystroe canal and Kiliya arm study – ICPDR meeting	Wien	10-11 September 2015
Bystroe canal and Kiliya arm study – Meeting with Romanian national authorities and agencies	Bucharest and Galati	20-23 September 2015
IDEA II progress meeting	Brussels	6 October 2015
Bystroe canal and Kiliya arm study – Presentation of the study at the Eastern Partnership Transport Panel	Brussels	17 November 2015
TRACECA Campus and Universities network business plan preparation	Lutsk	1-3 December 2015



4 Resources and Budget

During the sixth period, budget resources have been allocated for covering the:

- costs related to the project experts' fees; and
- incidental expenditures.

Until the end of the sixth reporting period, the IDEA II project has spent 89% of the overall total budget allocated for the heading related to the expert person-days. More specifically, the Project has approximately used:

- 90% of the available resources for the senior Short-Term Experts;
- 88% of the available resources for the junior Short-Term Experts.

With regard to the incidental expenditures, the budgeted resources for the reporting period has been used for covering three groups of costs:

1. Missions of project experts (travel costs and "per diem");
2. Subcontracting expenses;
3. Project office running costs, including translations, documents printing, etc.

The first group costs are inherent to the 8 missions of project experts and include the travel costs and the reimbursement of per diems.

The second group costs are those related to the invoices for the TRACECA Campus subcontract and for the EaP transport projects pipeline website license.


The third group costs are those related essentially to translations and documents printing.

Overall, 49% of the total project resources for incidental expenditures has been spent.



This project is funded by the European Union

Annex I - EaP transport projects pipeline: project form

IDEA II Project	
This project is funded by the EU	
Upgrade of road between Minsk and Vilnius and reconstruction of border crossing point "Kamenny Log"	
Project code	BEL_02
Source	Eastern Partnership Priority Projects (2013)
Sector	Road
Country	Belarus
Type	Upgrade
Geographical description	The project is located on E28 (Vilnius - Minsk) of the Trans-European Road Network
	
Demand estimation from IDEA II-EaP transport model year 2030	<ul style="list-style-type: none"> Freight: 7.700 tonnes/day Passengers: 2.800 cars/day
Technical description	<p>The goal of the project is the modernization of the road section between Vilnius and Minsk M-7/E28 Minsk - Ašmiany - border of the Republic of Lithuania (Kamenny Log) with length 89 kilometers according to the parameters of I category.</p> <p>Branches of trans-European transport corridor IXB at the road section Minsk-Pershai correspond to the parameters of I category and has 4 lanes, and at the road section Pershai-border of the Republic of Lithuania (Kamenny Log) correspond to parameters of II category and has 2 lanes.</p> <p>It should be noted that currently, due to the financing from the European side in the framework of the Partnership "Northern Dimension" a preliminary study on the reconstruction of the road M-7 Minsk-Ašmiany-border of the Republic of Lithuania (Kamenny Log) was developed by Consortium SACO.</p> <p>Lithuania and Belarus are also exploring together the upgrade of the Border Crossing Point "Kamenny Log" at this road section which is unable to cope with growing traffic.</p>
Applicant/promoter/sponsor	
Investment amount	The estimated project cost is 300 mln USD.
Implementation schedule	The upgrade of the connecting road on the Lithuanian side is to be completed. A feasibility study is to be carried out in 2014 and project implementation should start in 2017.
Status	
Expected impacts on	The project aims to improve transport connections between the Trans-European Transport Network and the transport infrastructure of the Republic of Belarus as its partner country.
<ul style="list-style-type: none"> Transport Environment Social Other 	
Source of funding	
References	<ul style="list-style-type: none"> List of priority infrastructure projects on the Eastern Partnership regional transport network Endorsed at the meeting of EU and Eastern Partnership Transport Ministers on 9 October 2013
Status	
Expected impacts on	The project aims to improve transport connections between the Trans-European Transport Network and the transport infrastructure of the Republic of Belarus as its partner country.
<ul style="list-style-type: none"> Transport Environment Social Other 	
Source of funding	
References	<ul style="list-style-type: none"> List of priority infrastructure projects on the Eastern Partnership regional transport network Endorsed at the meeting of EU and Eastern Partnership Transport Ministers on 9 October 2013 http://www.lra.lt/en.php/projects/eu_cohesion_fund/2500#content_15788 http://www.ndpti.org/c/document_library/get_file?folderid=16355&name=DLFE-1603.pdf
<small>This database is developed by the IDEA II Project The IDEA II Project is implemented by TRT Trasporti e Territorio in association with: Panteia Group, Dornier Consulting GmbH and Lutsk University</small>	



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IDEA II Transport Dialogue and Networks Interoperability

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Annex II – TRACECA Universities network: business plan

Provided as independent files



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IDEA II Transport Dialogue and Networks Interoperability

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Annex III – Border Crossing Points’ Benchmarking Report

Provided as independent files

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