



Ministry of Economy and Sustainable
Development of Georgia

Regional Technical Workshop on LOGMOS Project

“TRACECA potential in attracting additional cargo and transit and trade facilitation”

Poti – Baku Container Block Train
Pilot Project

Measures Undertaken By Georgian Party to the
MLA in order to Increase the Reliability and
Competitiveness of TRACECA Corridor

Transport Policy Department

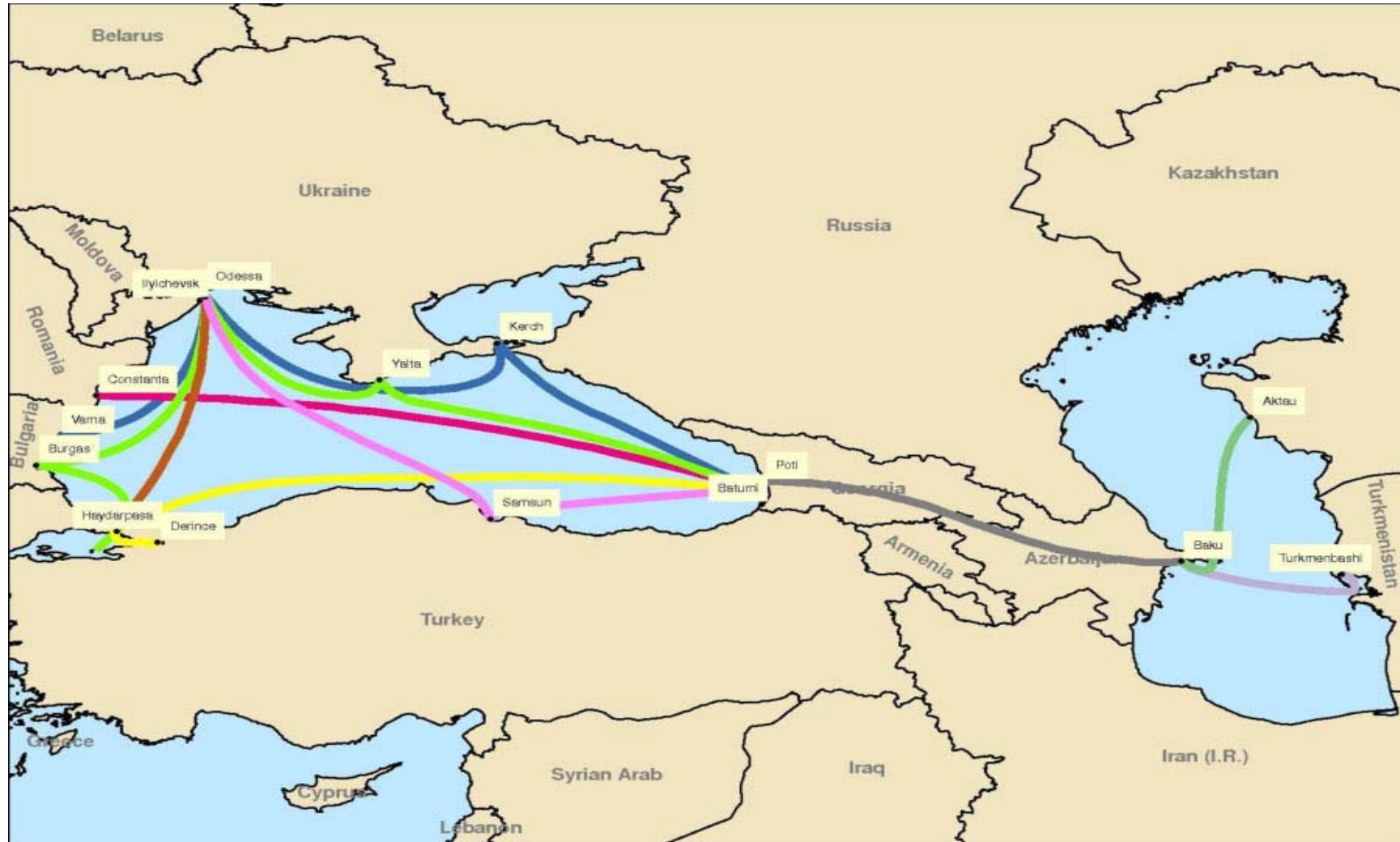


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MAP of Poti-Baku Block Train Operation



Trend of Container Transportation

Via Georgian Sea ports



Ports	o/w Handled Ferries			Handled TEUs		
	2010	2011	Growth, y-o-y (%)	2010	2011	Growth, y-o-y (%)
Batumi Sea Port	73	100	37%	16,318	45,439	(+) 2,8-times
Poti Sea Port	232	169	-27%	209,797	254,022	21%
Kulevi Sea Terminal	-	-	-	-	-	-
Supsa Sea Terminal	-	-	-	-	-	-
Total	305	269	-12%	226,115	299,461	32%



State of Play - Current Status of Legal and Regulatory Framework Application

- Georgia signed and ratified Agreement on Multimodal Transport TRACECA.
- Agreement of TRACECA Multimodal Transport (into the effect since 2011), laid down the liability of multimodal transport operators against losses, damages and delays.



State of Play- Current Status of Legal and Regulatory Framework Application – Cont'd

- Georgia signed and ratified New Technical Annex “On THE INTERNATIONAL CUSTOMS TRANSIT PROCEDURES IN THE CORRIDOR EUROPE - THE CAUCASUS - ASIA FOR THE CARRIAGE OF GOODS BY RAIL USING THE “SMGS” (into the effect from 2010), laid down the application of SMGS railway bill as a common transit document.
- In December, 2011 the Protocol was signed by Georgian and Azerbaijan Prime-Ministers underlining development of Container/Contrailer block train.



State of Play- Current Status of Legal and Regulatory Framework Application – Cont'd

- In October 6, 2011 Georgia signed the “Protocol of the Working Group Meeting on Increasing Competitiveness of Combined Railway-Maritime Traffic with TRACECA corridor”.
- Georgian and Ukraine Customs Authorities signed bilateral Agreement Regarding implementation of Pre Arrival Exchange Information System (PAEIS)* for improvement Customs to Customs (C2C) cooperation.



* PAEIS under implementation between Moldova and Ukraine (EUBAM programme), Ukraine and Belarus Customs authorities. Georgian Customs negotiate the same condition framework for EDI with Azerbaijan, Armenian and Turkish Customs authorities.

State of Play – Cont'd

- Block-Train Container/Contrailer operational issues currently is under discussion between Georgia and Azerbaijan railways administration (first draft of operational agreement has been sent to Azerbaijan railway administration on February, 2012).
- In the second quarter of 2012 Georgia is going to joint “Viking Train” operation agreement (inter-governmental procedures in Georgia are ongoing).



State of Play – Cont'd

- Georgia proposed draft of new Technical Annex to the MLA “Draft of New Technical Annex to the Basic Multilateral Agreement on Joint operation of Railway-Ferry Links between the Parties of MLA on the Black Sea and the Caspian Sea”, application of which will increase the interoperability between COTIF and SMGS contracting parties and refine its logistics processes.
- Cost benefit analysis (CBA) is developed for Poti-Baku Block train (December 2011) (prepared by LOGMOS II project)



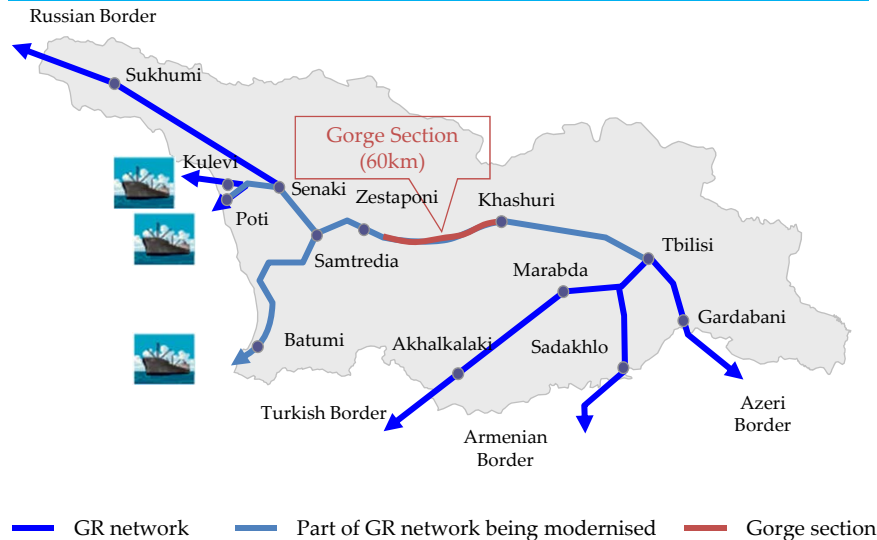
Current status of application

	A z e r b a i j a n	A r m e n i a	B u l g a r i a	G e o r g i a	I r a n	K a z a k h s t a n	K y r g y z s t a n	M o l d o v a	R o m a n i a	T a j i k i s t a n	T u r k e y	U z b e k i s t a n	U k r a i n e
Basic Multilateral Agreement on International Transport for Development of the Europe-the Caucasus-Asia Corridor (8 September 1998)	X*	X	X	X	X*	X*	X	X	X*	X	X	X	X
Protocol on amendments to the Basic Multilateral Agreement on International Transport for Development the Europe-the Caucasus-Asia Corridor (9 October 2003)	X	S	X*	X*		S*	S	S	X*	S	S*	S*	S*
Protocol on amendments to the Technical Annex on Customs and Documentation Procedures to the Basic Multilateral Agreement on International Transport for Development the Europe-the Caucasus-Asia Corridor (13 December 2007)	X					S		S*		S	S		S
Protocol on amendments to the Basic Multilateral Agreement on International Transport for Development the Europe-the Caucasus-Asia Corridor in respect of the new status of the Republic of Bulgaria and Romania acceded to the EU on 1 January 2007 (13 December 2007)	X	X	X	X		S		S	X	S	S		S
Agreement on the development of Multimodal Transport TRACECA (16 June 2009)	X*	S*		X			X			X			
Agreement on Joint Financing of the Permanent Secretariat of the Intergovernmental Commission TRACECA between the Governments of the Parties to the Basic Multilateral Agreement on International Transport for Development of the Europe-the Caucasus-Asia Corridor (21 April 2005)	X	X	X	X	X	X		S	X	S	X		



Railway Modernisation Project

Overview



Objectives

- Freight and passenger traffic optimisation
- Station, depot and infrastructure optimisation
- Freight and passenger rolling stock optimisation
- Less degradation of wheels and tracks
- Reduced operational expenses
- Improved operational safety
- Improved social and environmental safety
- Increased train speeds
- Clear and defined maintenance program

Railway Modernisation Project – Cont'd

Modernisation of main railway line Tbilisi-Poti – Batumi

Planned actions:

- Modernisation of the railroad and electric supply infrastructure
- Train speeds target of 80 km/h in the gorge (current 45 km) section and 120 km/h in the rest (65-90) of the mainline
- Improvement fo tunnels, bridges and level crossings

Key Parameters

Cost of the Project

- Estimated c. CHF 389m

Funding Strategy

- Internally generated cash

Completi on Period

- Expected no later than 2016



Recommendations and new initiative of Georgia, which will have positive implication for further development of TRACECA Corridor, particularly for Poti-Baku Container Block train project

- Follow up of TRACECA Multimodal Transport Agreement implementation (which is into the effect from 2011) particularly by means of (i) harmonization of their legislation in order to implement unified legal framework of multimodal transport (Art-2 of TRACECA Multimodal Agreement), (ii) elaboration of unified form of multimodal transport document (art- 4, p.2) and (iii) development of legal and regulatory framework for liability (loss, damage and delay) of Multimodal Transport Operators (Art-7).
- Creation of Group of Experts out of representatives of several MLA parties and with the support EC technical Assistance project IDEA I in order to examine the issues of responsibility/liability of transport operators during detention (loss, damage and delay) of cargo (As per p. 8 of Final Recommendation of Meeting of PS, Milan, Italy, June 9, 2011).



Recommendations and new initiative of Georgia, which will have positive implication for further development of TRACECA Corridor, particularly for Poti-Baku Container Block train project – Cont'd

- **Extension of Pre Arrival Exchange Information System (PAEIS) application for other TRACECA countries, as a soft measure Customs to Customs cooperation (C2C), which is in line with Standards of Kyoto convention for Simplification and Harmonization of border crossing and WCO recommendations for (i) speed up and automation of the border crossing procedures, (ii) promoting risk assessment management, (iii) introducing the paperless work and (iv) efficient tools against corruption (as per IGC TRACECA Strategy, chapter 5.5).**
- **Development of Feasibility Study of Pilot Project Poti/Batumi-Constantza.**
- **Development of Feasibility Study of Pilot Project Poti/Batumi-Deringe.**

N.B. Unfortunately those two projects were not considered as mature ones in previous Motorways of the Sea I project and are proposed for re-evaluation based on TOR of LOGMOS II project and are in full compliance with its Chapter 2,2 (1C) of “OBJECTIVE, PURPOSE & EXPECTED RESULTS” and Chapter 4.2 (1C) of SPECIFIC ACTIVITIES.



Thank You for Your Attention

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