



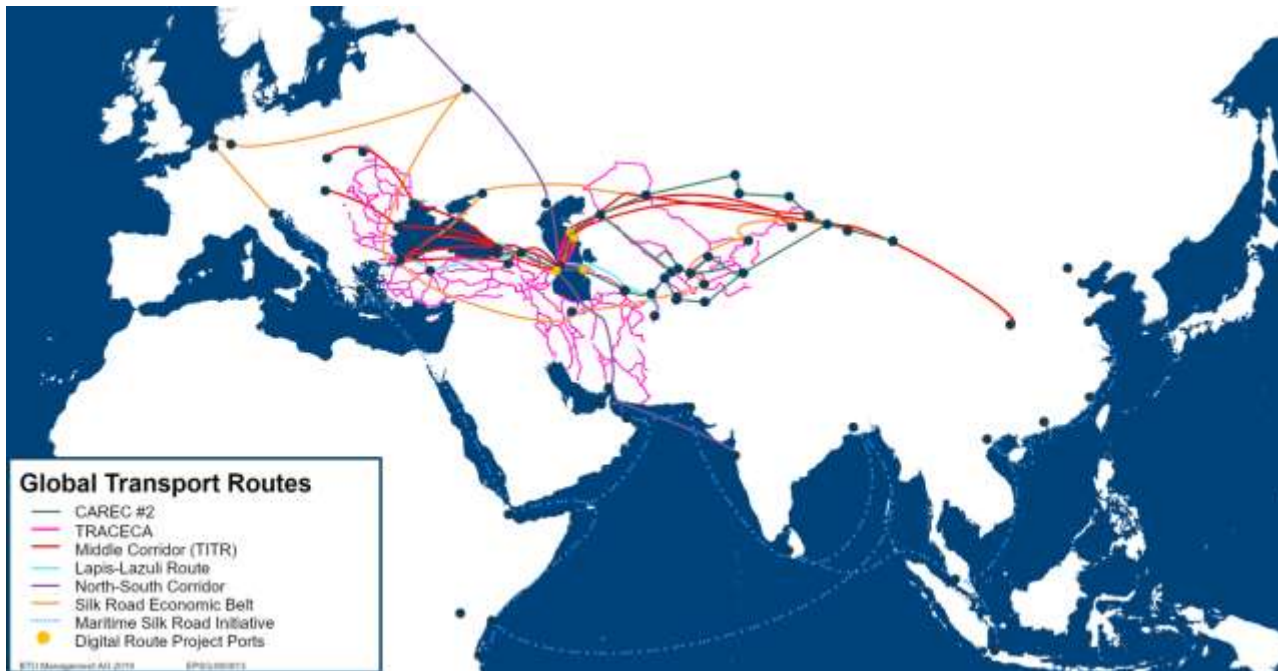
Promoting Green Ports and Connectivity

Strengthening Economic Resilience and Adaptability Through Europe and
the Black Sea-Caspian Region Connectivity

The Project promotes green ports and connectivity to improve the security, sustainability and connectivity of trade flows in the Black Sea and Caspian Sea region

The Project : Background

Promoting Green Ports and Connectivity in the Caspian Sea Region



Status Quo

- The Caspian Sea lies at the heart of many potential trade routes
- Ports of Aktau, Kuryk, Turkmenbashi and Baku are intermodally perfectly positioned hubs
- Stakeholders in the region are committed to develop green and digitalized trade

OSCE Goal

Improve the security, sustainability and connectivity of trade flows from Asia to Europe through the Caspian Sea Region

Beneficiary Countries:

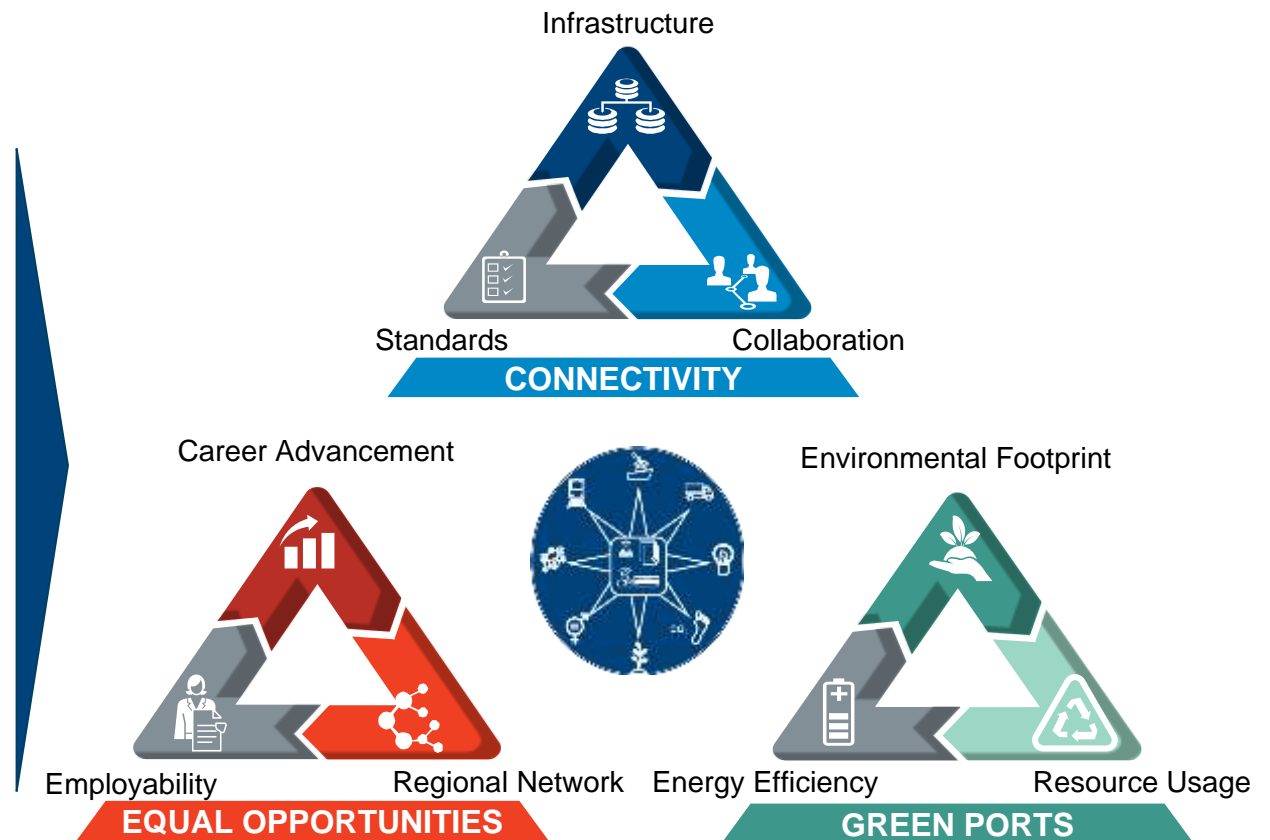
Azerbaijan, Georgia, Kazakhstan, Turkmenistan, Romania Uzbekistan, Kyrgyz Republic

The three main goals of the Project are reflected in the workstreams connectivity, green ports and equal opportunities

The Project - Goals

Main Project Goals

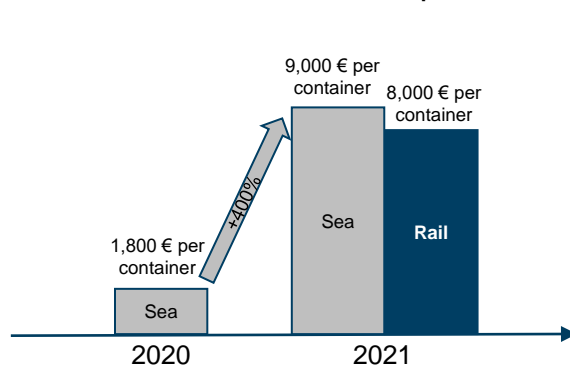
1. Ensure secure, smart and sustainable connectivity
2. Support selected ports in effectively implementing green ports principles as a best practice in their operations
3. Increase women's economic participation in the energy, logistics and transport sectors



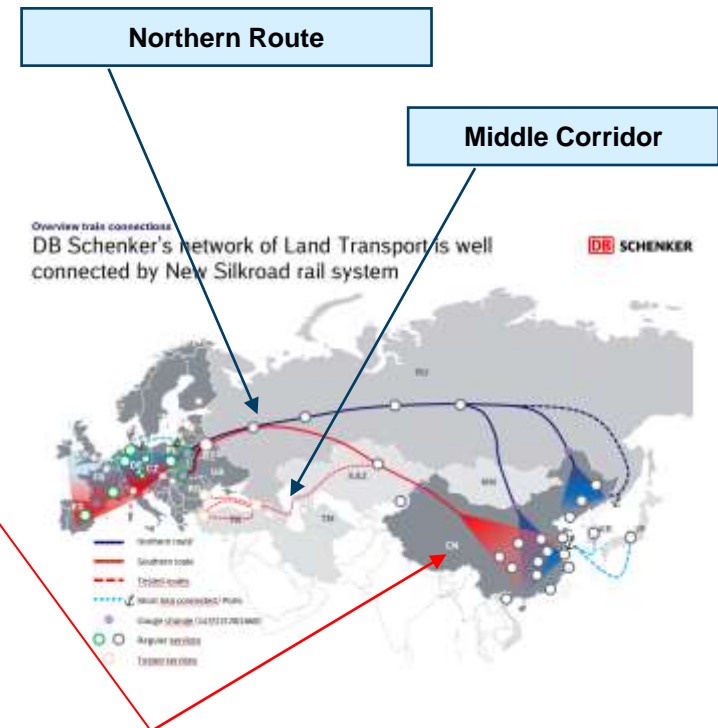
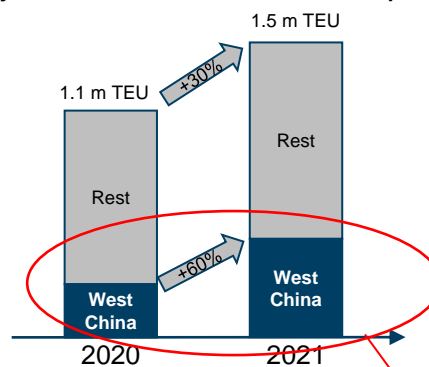
The transport by rail from China to Europe has increased and the prices for sea transport skyrocketed, so the Middle Corridor and the Northern Route are attractive options

Situation

TEU Transport Cost from China to Europe



TEU Transport Volume by Rail from China to Europe



The Middle Corridor provides better access to Western China

Benefits of Rail Transport

- For transporting goods from China to Europe, considering capital and freight costs **Rail is the most economic option**
- apart from economic advantages Rail offers the **most environmentally friendly transport mode**

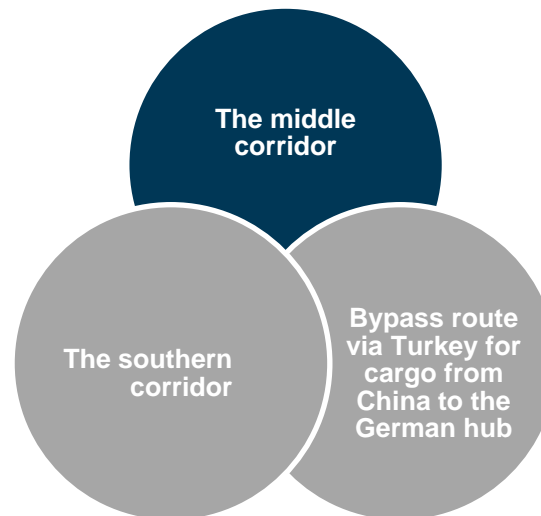
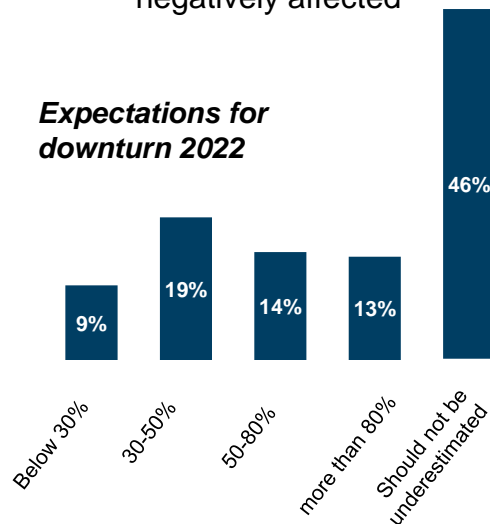
The perfect moment for growth for the Middle Corridor

Looking for alternatives



The new silk road is still open, i.e. it is not sanctioned to transport through current route, but ...

>55% of involved transport companies say China-Europe freight trains are negatively affected



runs through Iran and Turkey, but as Iran is subject to US sanctions as well, there is not much interest at the moment

Trans-Eurasian rail corridors experienced growth; in 2021, the BRI network, of which Kazakhstan is a major hub, handled about 15,000 trains

Railways connect 89 cities in China with 23 countries and 175 cities in Europe

Apart from Europe, the primary beneficiaries of this new trade route are the western regions of China and the countries of Central Asia, which have suffered from landlocked situations for centuries. They have become natural land bridges between global centers of economic power, and the future promises even better prospects. The revival of the New Silk Road is not far off.

In order to increase trade in the region, logistic service companies see bottlenecks and have named wishes and requirements

Caspian Connectivity – Bottlenecks and Solutions

The main bottlenecks identified by the interviewed Logistic Service Providers are....

- Reliability of transport / scheduling procedures**
- Customs clearance / documentation**
- Timeliness / Velocity**

To be able to use this route more frequently they wish for...

- Price transparency**
- Open access booking system**
- Regular schedules**
- Digitized documentation processes**

Project Vision

We want LSPs to be able to provide end-to-end responsibility on the Middle Corridor

DB Schenker takes the responsibility "end to end" including the integration of all key processes...via the Middle Corridor



A common digital platform can eliminate the bottlenecks and fulfill the needs of international LSPs

The Middle Corridor has to be strengthened now to be able to meet the raising demand – a great opportunity for European – China trade as well as for the regional economies

Challenges for the Middle Corridor

Challenges

- Logistic, infrastructure, and institutional development hurdles
- Lack of price transparency
- Multimodal (crossing Caspian Sea and Black Sea)
- Transportation time: Railway operations, customs clearance, port operations
- Several countries involved in the route
- Routes to Central Europe lead through either Ukraine or Romania – railway infrastructure in a poor state

“The corridor accounts for about 3-5 per cent of the total capacity of northern routes”
(Cankat Yildiz from Middle Corridor Logistics)

The freight requires negotiation with various parties, making almost every train a test train

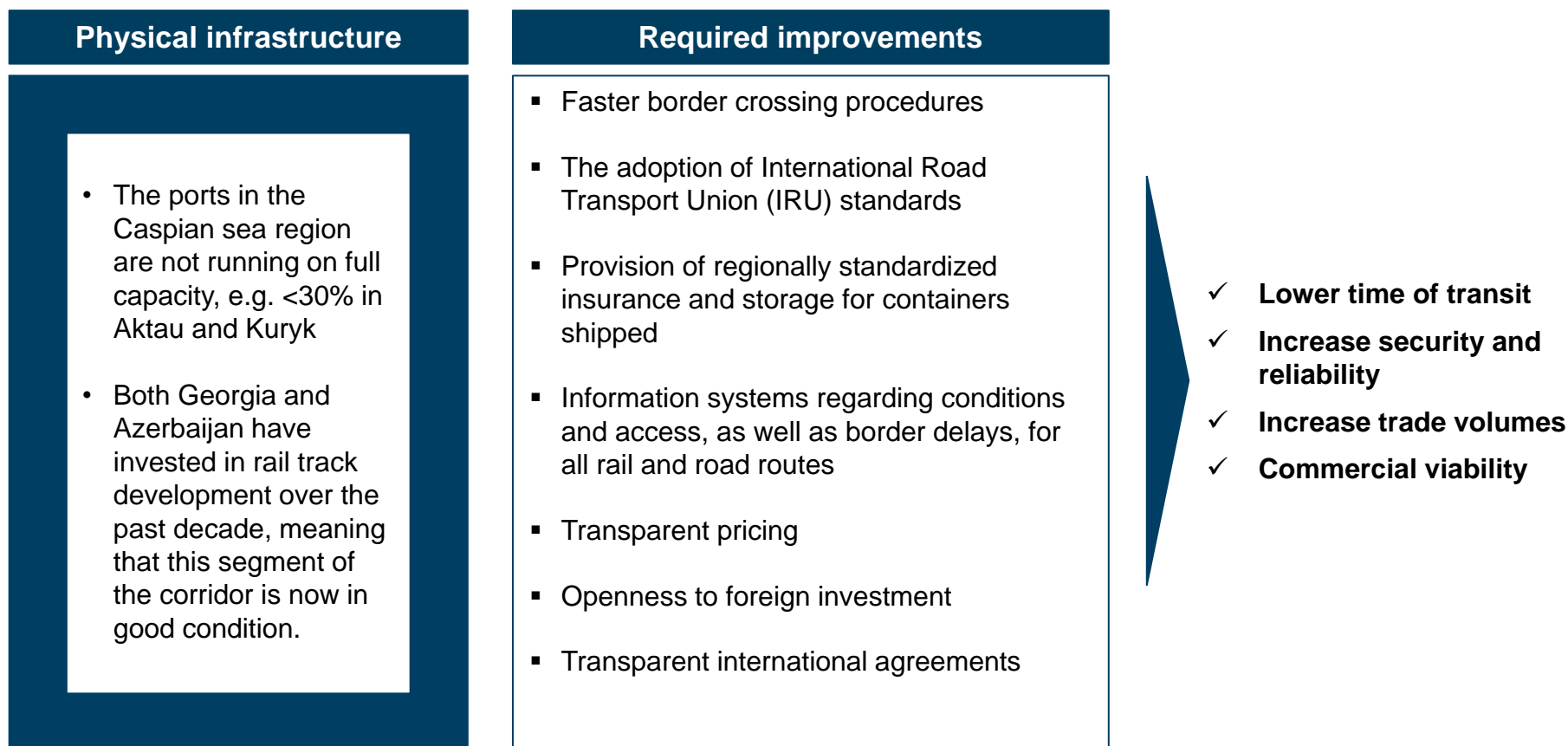
Preferential transportation rates cannot be obtained

The Northern Corridor has a better infrastructure and more mature business activities

Creating a uniform transport bloc that could better facilitate trade with both Europe and the PRC is the best possible policy solution for these regional economies.

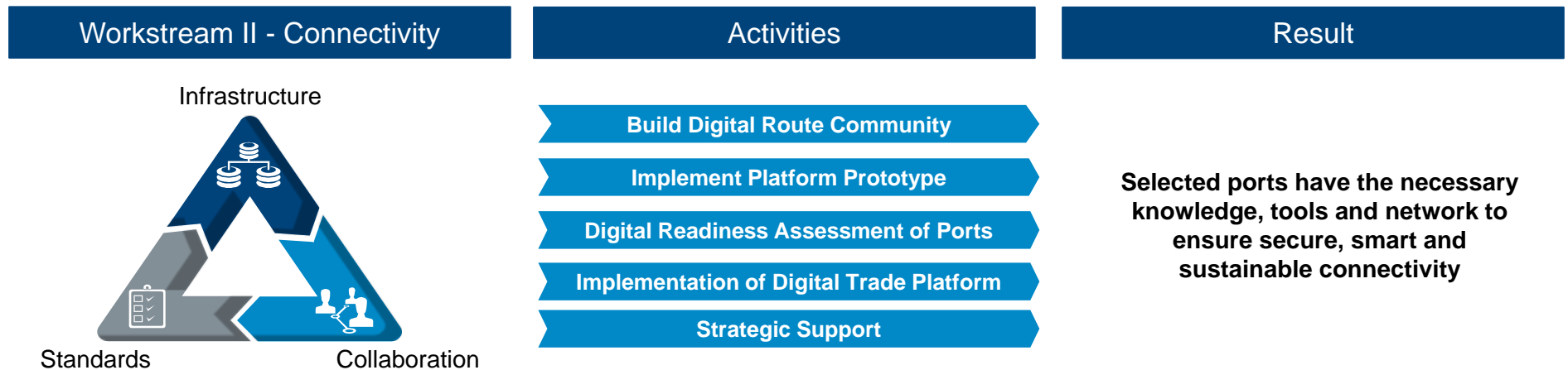
With the existing infrastructure and improvements on the digitalization and connectivity status quo we can reach a great level of economic integration across the Middle Corridor

Reaching a benchmark level of economic integration across the Middle Corridor



The project promotes a comprehensive connectivity approach based on standard harmonization, quality infrastructure, community building and digitalization

Workstream II - Connectivity



➔ In the first phase of the project, OSCE co-ordinated the conduction of a feasibility study about the potential of a common digital platform starting in the Caspian Sea region – The Digital Route Project

OSCE together and the stakeholders along the route are looking into the possibilities to connect parties along the route and digitize the supply chains

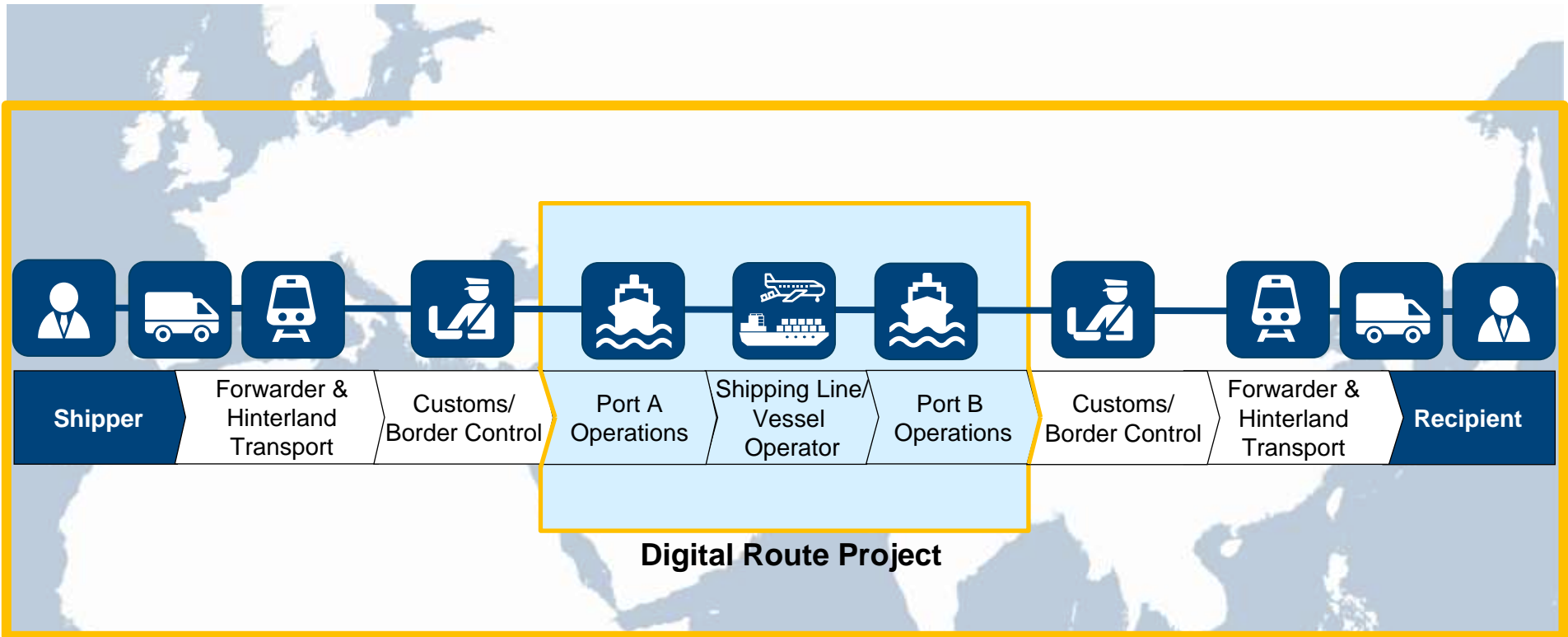
Digital Supply Chains



With the co-operation of private partners in Europe, the Caspian Sea region we aim to digitize the supply chains from Europe to Asia

A common digital platform everyone can connect to may enable the facilitated trade from Asia to Europe

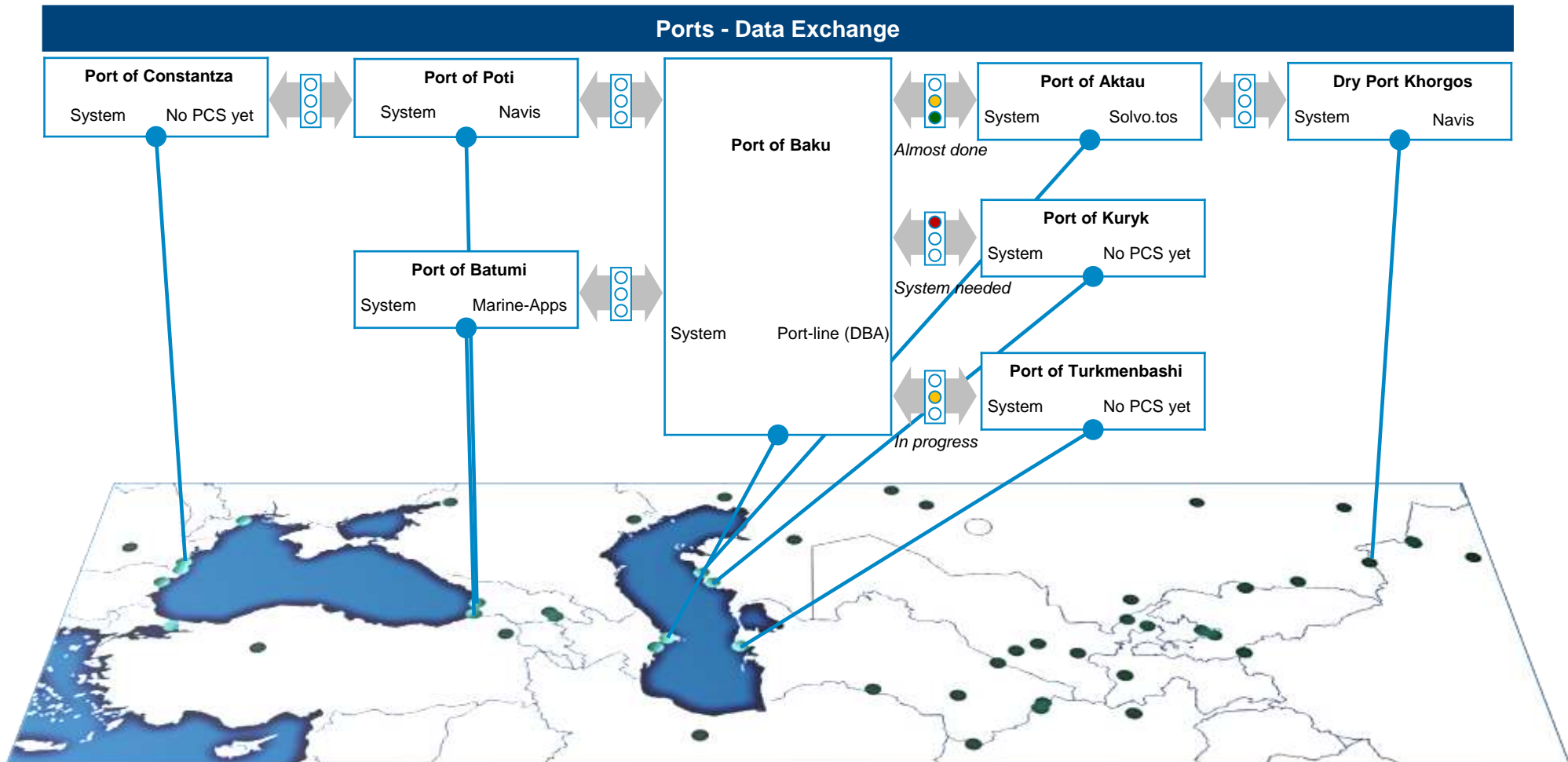
Vision – Global Digital Platform



Common Digital Platform
- a hub that everyone connects to -

The xml data exchange initiative is currently focused on the Caspian Sea ports but can act as a lighthouse project along the full transport routes

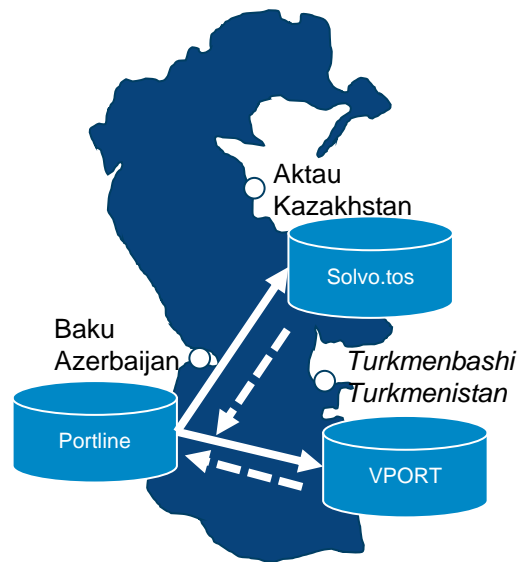
Data Exchange Status: xml-Initiative



Right now we are also looking into the realization of a decentralized approach to kick-off the electronic exchange between the ports of Aktau, Turkmenbashi and Baku

WP 2 - Road Map Implementation - Approach PoB*

Decentralized Approach DBA/PoB



- Data exchange through web services set up by the respective ports
- Document exchange via scans of the port-relevant documents
- Decentralized approach
- ...

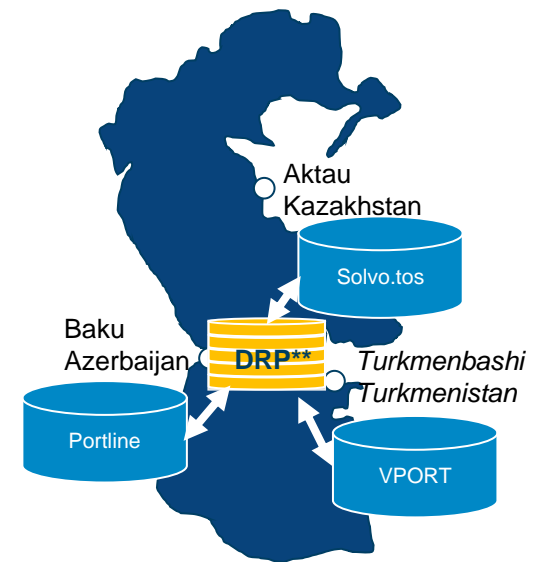
* PoB: Port of Baku

** DRP: Digital Route Project

Source: DBA, PoB, OSCE, BTO

Approach Feasibility Study

Long-term Goal

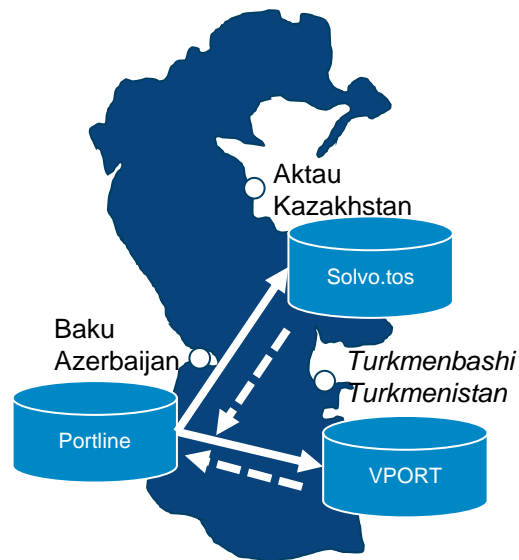


- Data and document exchange via one system solution
- Other parties possibly able to connect, or, only indirectly through PCS
- ...

The xml-exchange of data between the Caspian Sea Ports is a decentralized approach and will facilitate data exchange for the most relevant cargo types

Xml-Exchange: a Pilot for Digital Data Handling

Decentralized Approach: xml-exchange



- Data exchange through web services set up by the respective ports
- Document exchange via scans of the port-relevant documents
- Decentralized approach

- Port of Baku is ready for the xml-data exchange, i.e. ready to send and receive xml-data
- Port of Aktau has been in cooperation regarding the .xml exchange with Port of Baku, it has been agreed on defining a timeline for realizing the first full exchange (status end of 2020)
- Port of Turkmenbashi has been invited for a conversation, the current status is unknown
- To our knowledge a regular meeting was established by the participants

OSCE / BTO will help to overcome the problems.

Green logistic hubs create the opportunity for sustainable connectivity and support the progressive decarbonization of the transport system

Workstream I - Green Ports



➔ Green ports can be defined as ports with a management approach where sustainability as a concept underlies the measurement of a port's success

The OSCE is supporting ports in implementing environmental management standards and get the ECOPORTS certification

Environmental Management Standards



So far, Port of Baku and Constantza have received the ECOPORTS certification, Port of Aktau has now almost finished the process supported by the OSCE, Kuryk and Turkmenbashi are about to engage in the process.

EcoPorts

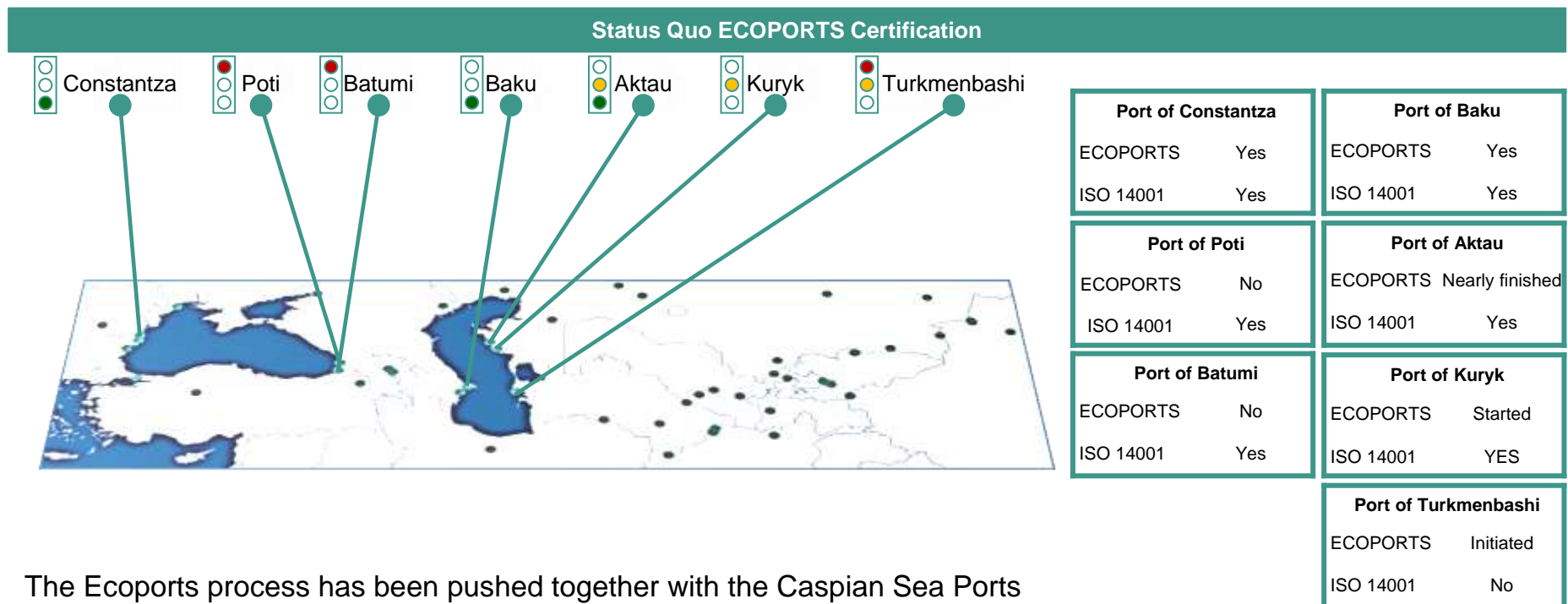
- Environmental management system and global standard, especially designed for ports and port terminals while using the basic structure of international standards like ISO 14001
- Teaches ports and port terminals to introduce an own environmental management system based on EcoPorts global standards
- It gives ports insight in the effects of their own business model on the environment
- Implementation of ECOPORTS can be certified after validation by the independent auditor Lloyd's Register

ECOSLC

- ECOSLC is an independent neutral and non-profit Foundation, located in the Netherlands, that develops sustainable strategies, management systems and certification, for ports and the logistics chain
- ECOSLC assists ports, terminals and transport companies to introduce the CIRCLE LINES system for sustainable port, transport and logistics chain management
- ECOSLC conducts the certification procedure for ports outside of Europe

OSCE is engaged in supporting leading ports in the Caspian and Black Sea Region to obtain or update their ECOPORTS certification

Status of Ecoports Implementation



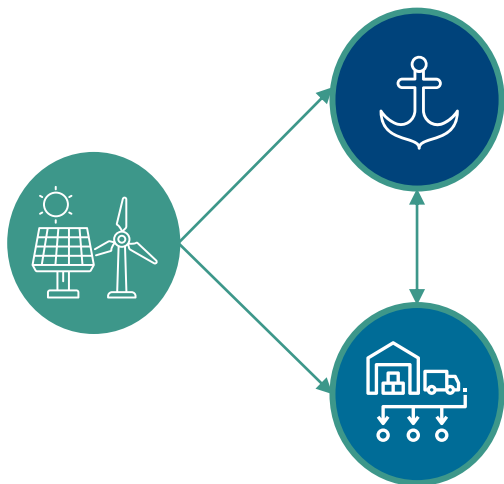
The Ecoports process has been pushed together with the Caspian Sea Ports and is under investigation at the Black Sea Ports of Poti and Batumi.

The renewable energy potential of the greater Caspian Sea* and Black Sea region can be used to electrify ports and associated logistic hubs in a sustainable way

Workstream I - Renewable Energy Potential of Ports and logistic Hubs



The Black Sea and Caspian Sea region has great **wind, solar, hydroelectric and geothermal potential**

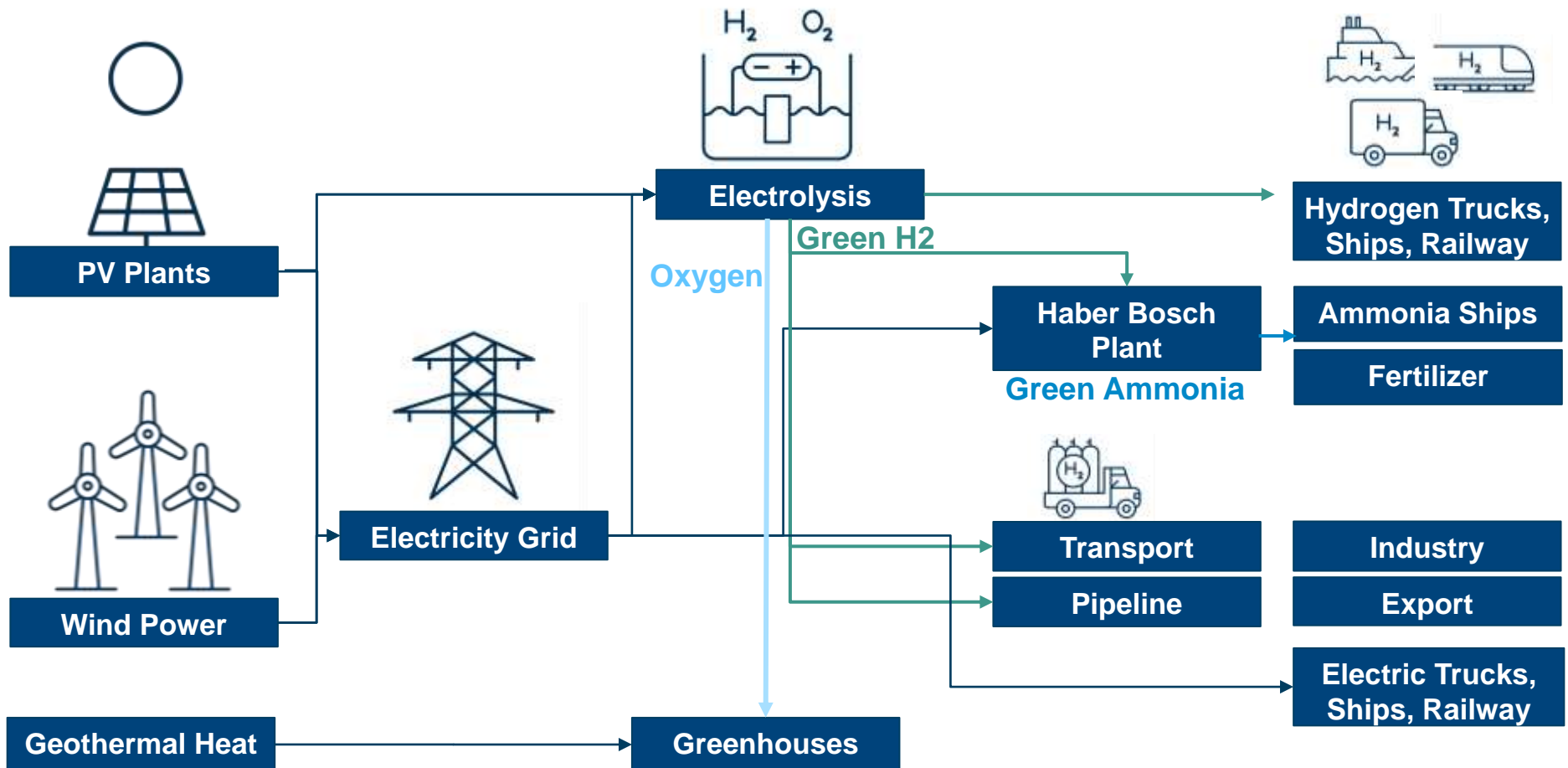


1. This potential can be used to **meet the demand for ports and their associated logistics infrastructure**
2. Depending on the potential of the respective country, they can **electrify their ports and hubs in a sustainable way**
3. The potentials can be used to establish **self-supplying ports and logistic-associated hubs**

* This includes Azerbaijan, Georgia, Kazakhstan and Turkmenistan

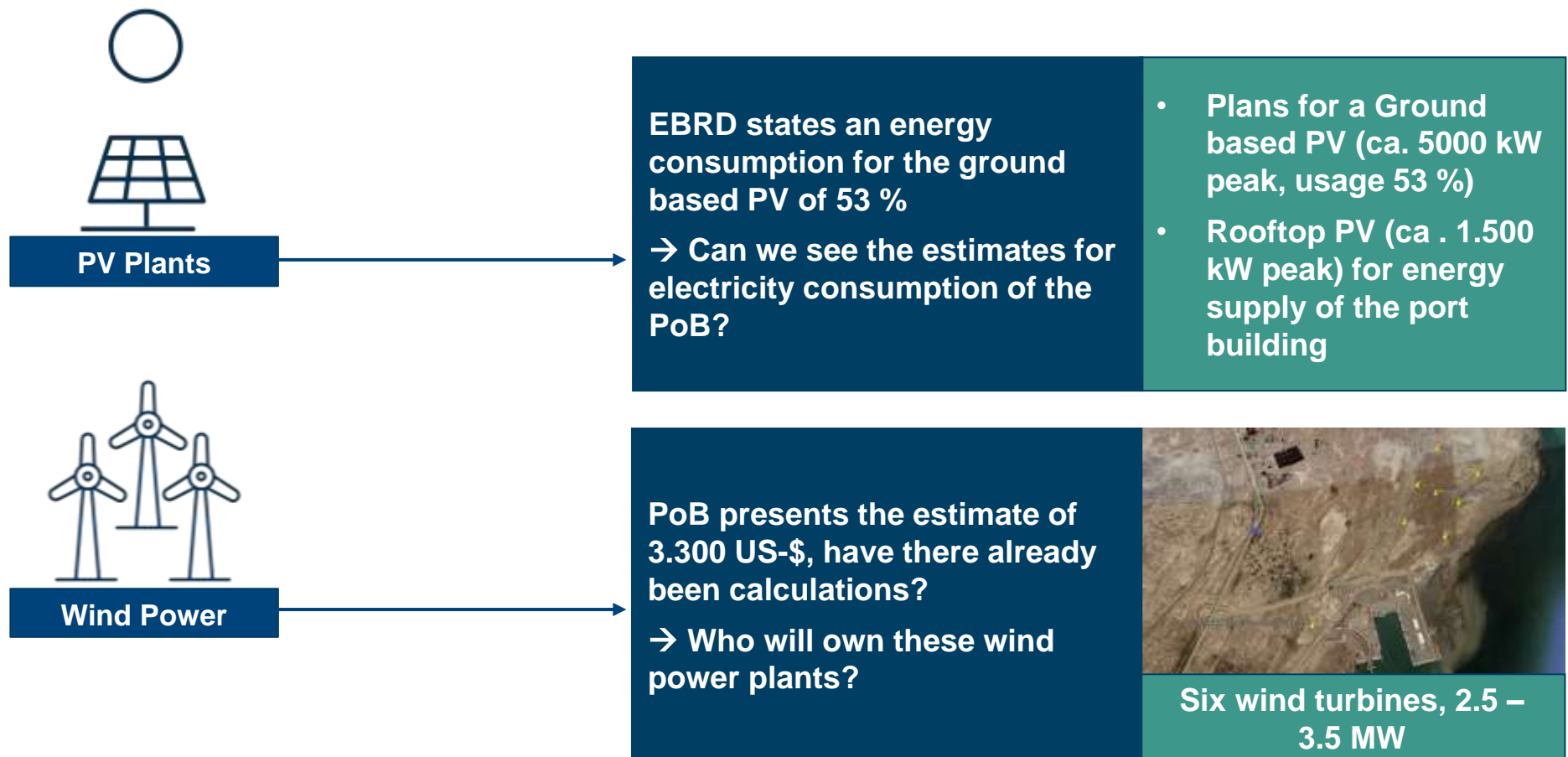
We are also studying the existing initiatives and projects for example a study on hydrogen and ammonia production potentials in the Port of Baku

Energy System Port of Baku



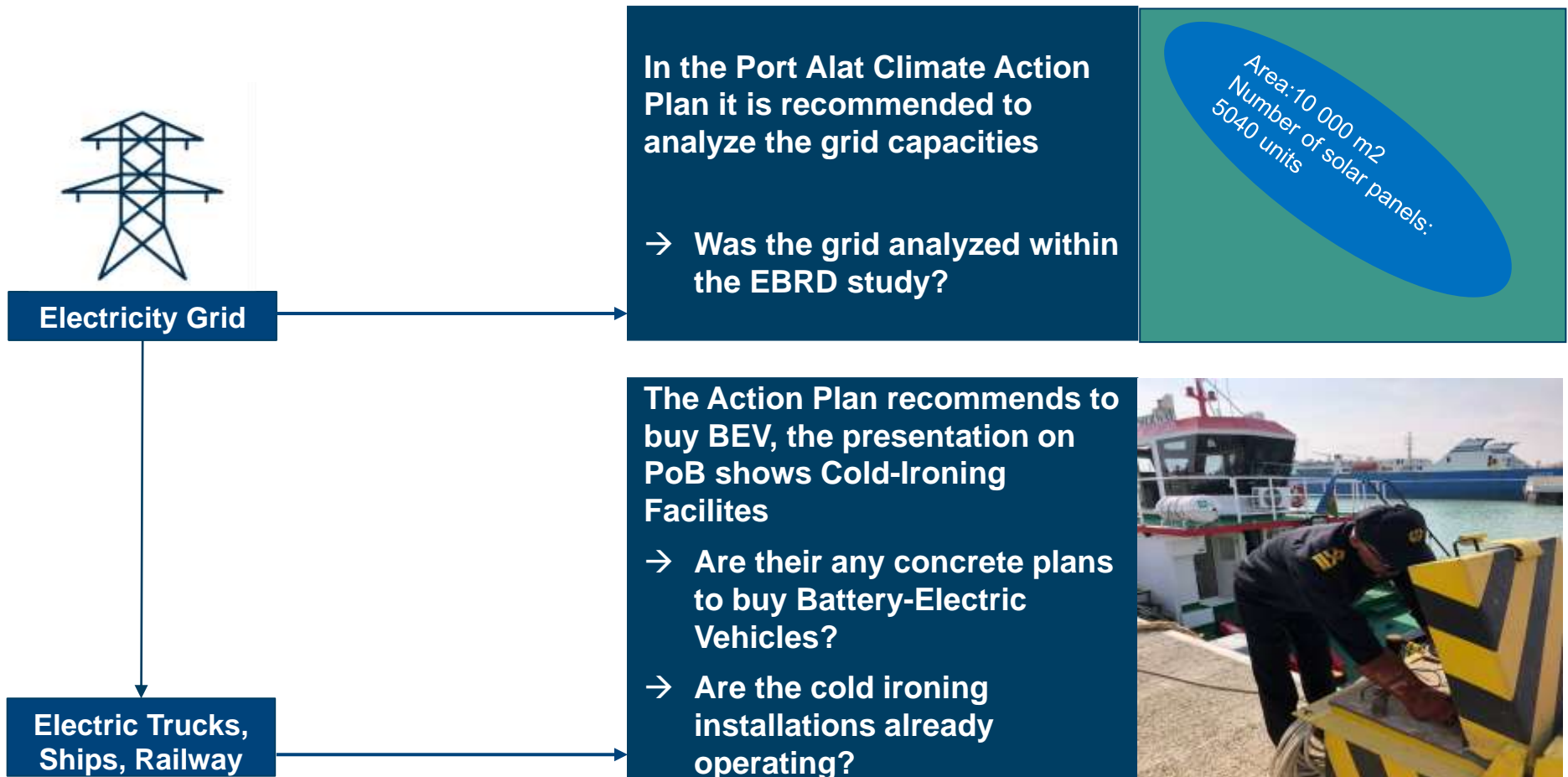
There are plans both for the construction of both wind and PV plants

Renewable Energy System



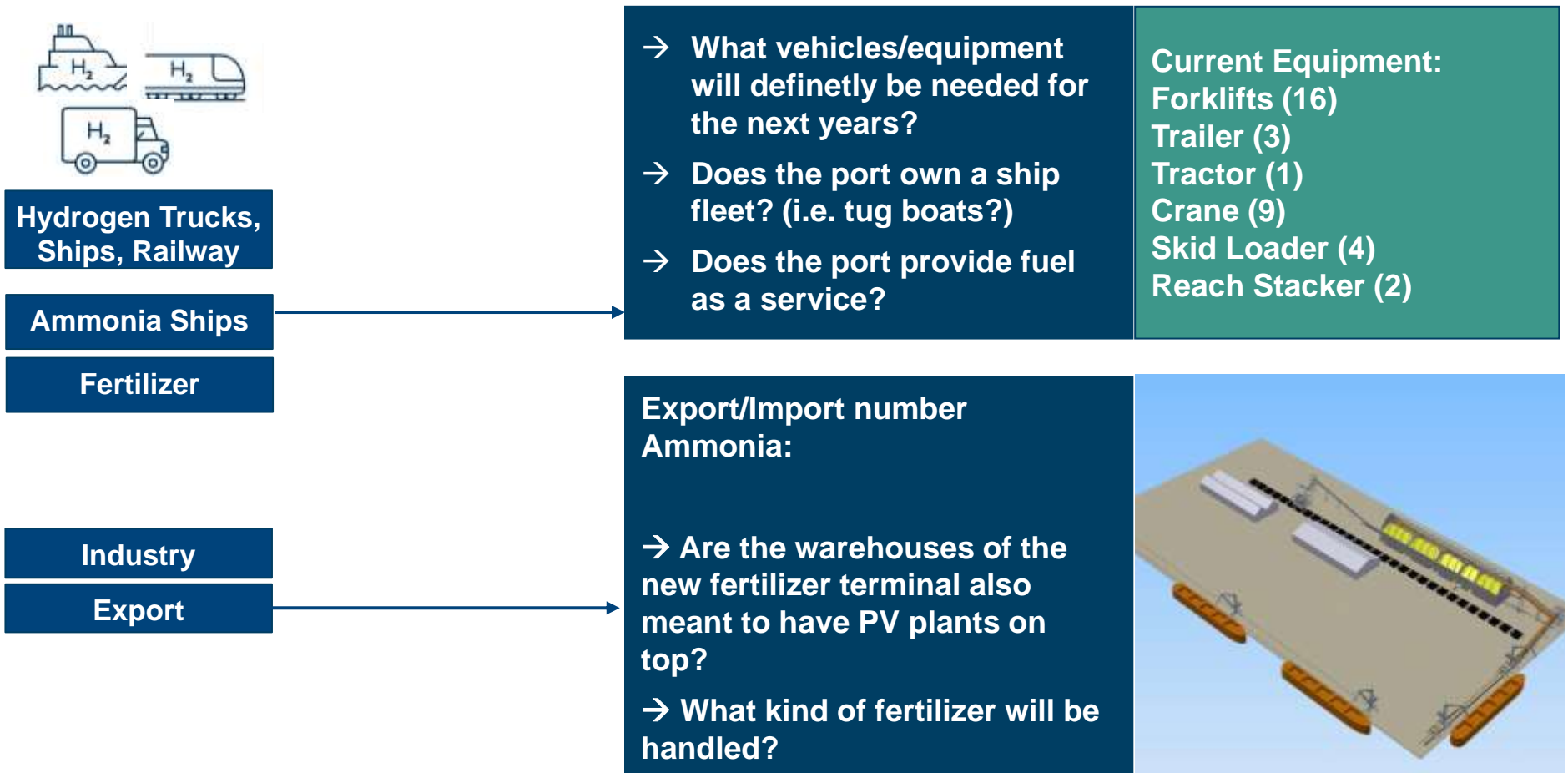
To have a realistic idea on the potential of green hydrogen and ammonia production we need to factor in the electricity grid and the energy consumption of other applications

Energy System Port of Baku



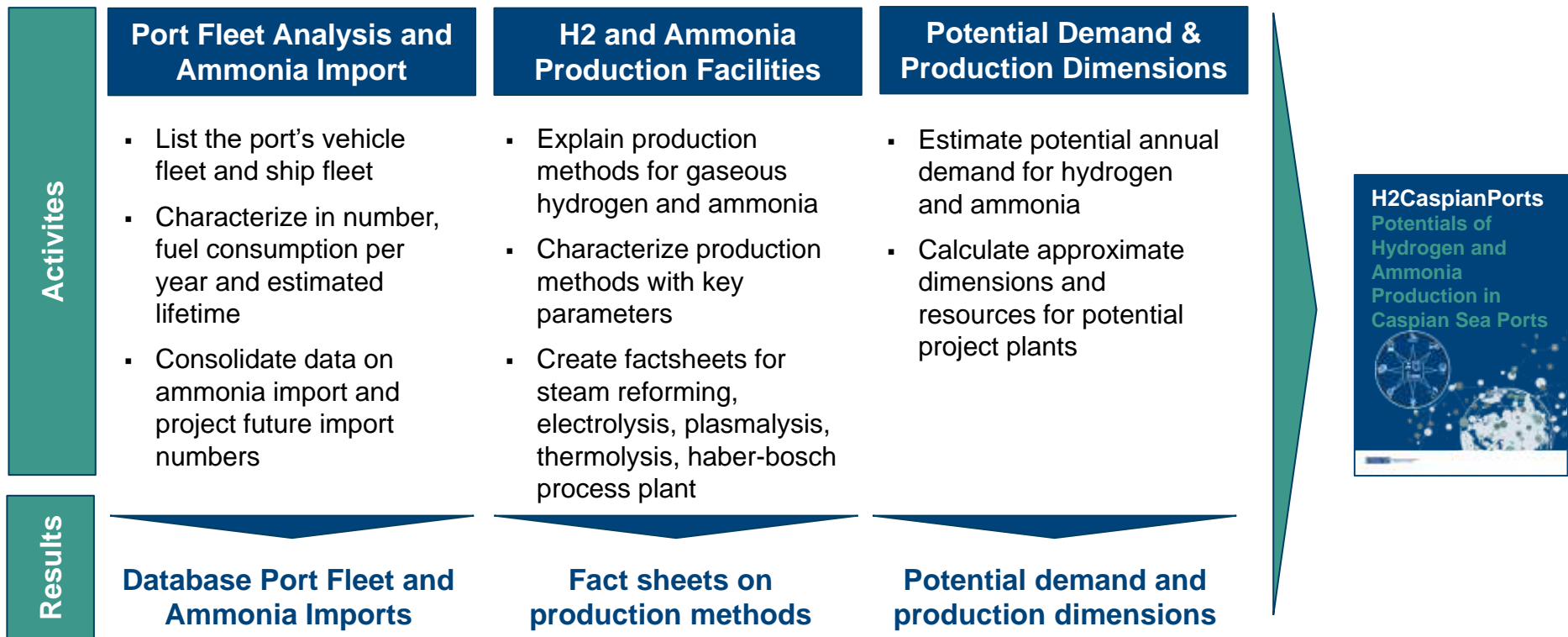
The study will give a comprehensive overview on hydrogen and ammonia production potentials in the Port of Baku

Energy System Port of Baku



The study will give a comprehensive overview on hydrogen and ammonia production potentials in the Port of Baku

Activities and Results



The project promotes women’s representation and employability in ports and logistics through a combination of policy recommendations and innovative capacity building activities

Workstream III - Equal Opportunities



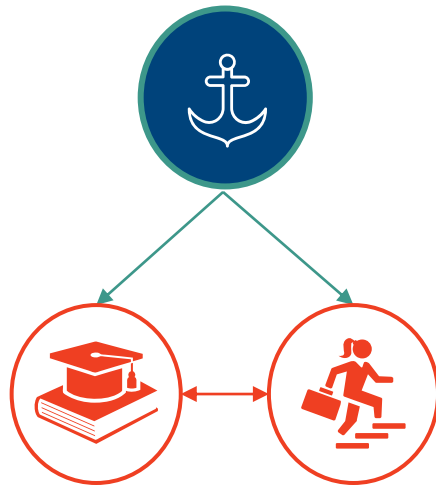
➔ The trade and logistics sectors remain among the least gender diverse ones. Women’s equal participation in the economy contributes significantly towards economic recovery, sustainable growth and the creation of cohesive societies

The OSCE supports the beneficiary countries to advance career prospects for women in logistics

Opening Opportunities for Women in Trade and Logistics



14 women professionals from the Caspian and Black Sea ports will participate in the 'Women in Port Management' Training organized by the OSCE in cooperation with IPER and the Port of Le Havre, France (2-week online component June 2022, 1-week in-person component September 2022)



Training Objectives

1. Give the participants an extensive insight into port operations and management, with a focus on port sustainability and digitalization
2. Improve their professional performance and help them advance in their career
3. Make their company or administration benefit of their new skills

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