

4. MARITIME TRAINING IN BAKU PORT

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| Geographic Focus: | Azerbaijan Republic and states dependent on the Port of Baku |
| Project Budget : | EURO 1,350,000 |
| Contractor : | HPTI |
| Implementation timetable: | December 1995 through November 1997 |

Background

The management of the Port of Baku is facing challenges for which new policies and working methods must be devised and implemented. The areas of assistance targeted for urgent action included the development of strategic planning and a marketing strategy, Institution building, Tariff structure and related cost management covering Port activities, Port operations management, costing and accounting systems and the development of a human resources policy.

At the start of this project the EBRD was attracted to the port as an area for investment, so the TRACECA technical assistance has been expanded to cover eventual rehabilitation and capital improvement work. The extension to this project was granted to enable investment to be planned for the Dry Cargo facilities, and eventually other port facilities that could merit further investment. The project was carried out in tandem with TAI I for the ferry terminals.

Objectives

- To provide management assistance by the secondment of EU experts to work alongside Port Authority counterparts including: *the General Manager* for advice on strategic planning, medium and long term planning etc., *the Financial Director* for advice on planning of financing investments at medium and long term, preparation of yearly budgets etc., *the Port Operations Director* for advice on daily port planning, control and maintenance, preparation of investment requirements in equipment and construction etc. and to the *Management Training Adviser* for setting up and implementing management training and developing management training schemes.
- To produce a Masterplan for the port that would include an analysis of present port facilities and equipment, conduct an environmental assessment. The development of feasibility studies corresponding to the EBRD investment approval system and the production of tender documents for new work to be done.

Achievements

The management training has been completed and a framework study on the establishment of Baku as a “Free Port” has been completed and is under review with the government.

A new MIS system has been designed which incorporated a complete restructuring of the accounting system and this has been adopted.

All operational procedures have been reviewed and a new organisational structure has been suggested that will be implemented shortly.

The traffic forecast and master plan have been produced and the results show the need for rehabilitation of the general cargo terminal and the redeployment of redundant capacity that now exists. The financial assessment shows that general cargo is profitable, but that the potential for container handling is even more so given the traffic-forecast projections on the TRACECA route. The EBRD has decided to invest in the port and negotiations proceed. The project has developed detailed designs for the production of tender documents to the standard required by EBRD.

All objectives have been fully met and the port authorities recognise the quality of the training and the output that has been achieved.