

Port of Baku Management Assistance and Training Inception Report 25 March 1996



## **REPORT COVER PAGE**

Project Title :		Technical Assistance for the Development of the Port of Baku Management Assistance and Training		
Project Number :		WW.93.05/05.01/B010		
Country :		Azerbaijan		
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#### 1. **Project Synopsis**

Technical Assistance for the Development of the Port of Baku Project Title

Management Assistance and Training

WW.93.05/05.01/B010 Project Number

Azerbaijan Country

Project objective[s] : Support the management of the Baku seaport in the transition to the market economy, by strenthening the management in introducing new policies and working methods to cope with the new challenges resulting from the new market-oriented environment.

> The project includes the implementation of a modern financial management system to analyse all investments for short, medium and long term periods, advise on modern port operations, and management training.

#### Planned outputs

- Development and implementation of strategic planning
- Design and implementation of a marketing strategy
- Establishment of cost covering of port activities and development of a new tariff structure
- Modernisation and improvement of port operations
- Design and implementation of a costing and accounting system
- Implementation of a human resources policy
- Preparation of a legal framework to define the relationship between Baku International Seaport, several specialised users and other interested parties.

#### Project activities

hower it continued

- Prepare strategic, medium and long-term planning
  - Plan and supervise structural investments
    - Advise on institutional changes, on the introduction of computerisation, on marketing and on the commercialisation of activities
  - Prepare investment plans, capital and operational budgets, financial documentation for negotiations and balance sheets
- Advise on new payment schemes
- Make all port operations more efficient and increase overall productivity
- Prepare and assist in administrating commercial handling contracts
- Assess training needs for management, arrange and set up training programmes, identify future trainers and start implementing a human resources management programme
- Organise and execute a study tour through European ports

Project starting date: 29 November 1995(date of contract signature) 08 December 1995(actual start of project activities)

28 January 1996 (start of project activities on location)

Project duration

: 16 months

## 2. Analysis of the Project-Start Situation

## 2.1 Relevant Project Contents

The project contents are described in the Terms of Reference of this project. They consist of three relevant fields:

- To assist the transition process of Baku International Port towards a commercial operating institution and enable it to cope with the new market oriented environment. This commercialisation requires as a first step for the project a far reaching and detailed analysis of the business structure, looking into all elements of business administration. Based on this assessment the new institution building can be carried out, including set up of necessary commercial structures within the organisation of the Port.
- To identify the future market with relevant business fields of the Port to serve the developing freight industry for all modes of transport in Baku and the region. At the beginning of the project this part requires an assessment of the current cargo transport market in Azerbaijan and a traffic forecast for the port related business. Further, new business fields for cargo handling need to be identified in order to extend the commercial cargo handling activities of the Port and offer a wider range of services to the market. This includes steps to familiarise the management with modern marketing and sales methods.
- To identify and analyse, in respect to their importance for and their impact on the market as well as their feasibility, the necessary investments for keeping important facilities of the Port operational, threatened by the rising sea level, as well as investments for modernizing facilities for the changing demand of the transport market. Simultaneously, necessary instruments for these tasks shall be introduced to the management.

#### 2.2 Main Problems / Deficiencies

The main problems this project has to tackle are already outlined in the Terms of Reference. They are the rising sea level of the Caspian Sea and the changing economical and political situation in Azerbaijan and in the traditional trading partner countries. The impact of these problems on the Port is serious.

The rising sea level has resulted in the port loosing facilities through flooding and limiting the operational ability of the ferry link spans considerably, thus, reducing the Port's service capacity to a great extend.

The political and economic changes have taken away the Port's commercial basis, resulting in a sharp decline in business. They also demand from the Port now a thorough reorientation in line with newly adopted market-oriented principles in management style, business behaviour and organisational setup.

The project objectives are tackling the latter problems primarily, without neglecting the first mentioned.

Other deficiencies or problems which should be further considered in addition to the above mentioned have not been identified in the start-up phase of the project.

## 2.3 Situation of the Port

After a short setup phase the project started on Monday, 5 February 1996, with a project planning workshop based on the Logical Framework Project Planning Methodology (LogFrame). The goal of this workshop, that was conducted under the guidance of a highly qualified and internationally experienced moderator, was on the one hand to obtain the involvement of the key management of Baku Port with the project activities and to familiarise the relevant staff of the Port with the expert team, and on the other hand to work out and plan together with the Port staff the necessary project activities, by incorporating ideas, thoughts and views of the management on actually existing problems.

The port management committed itself fully to the workshop. Nearly the entire top management team participated for a whole week. Their active participation and their valuable contributions together with the extensive professional exchanges with the expert team and with Mr. van Erdenburgh, the Maritime Expert of the TRACECA Management Team, lead to the identification of all necessary project activities in a comprehensive way.

The workshop commenced with a Participation Analysis, identifying of all "actors" of the project and their positive and negative expectations. From these expectations problems were identified and analysed in a Problem Analysis, which led in turn to an Objectives Analysis. The results are documented in **Annex 1.** 

As its next activity the expert team assessed the current organisational and commercial situation of the Port, in order to gain a comprehensive picture. The situation is characterized by structures, still existing from the former Soviet Union times, and by the impact of changes going on in Azerbaijan and the region in such areas as legislation, new currency, devaluation, reorientation of trade and industry, breakdown of trading and transport patterns, etc.

The initial findings for the sections Finance/Accounting and Operations are given in **Annex 2**.

## 2.4 Target Groups of the Project

The main target group of this management assistance and training project is the management staff of the Port of Baku.

Other target groups include the Port's supervising authorities and other legislative governmental organisations in Azerbaijan as well as the Port's past and, especially, future clients.

Last but not least are all actors of the TRACECA programme targeted by this project, too.

The project is primarily concerned with assisting the management staff of the Port to acquire the necessary knowledge and experience in running the Port successfully on market-economic principles. This includes all fields of management from operations over financial management, investment planning, marketing, human resources management, corporate planning to communications and leadership. Many of the concepts underlying these topics are alien to the management staff and must presented to them in such a way that they see their value and adequacy and are freely prepared to accept them.

The expert team will endeavour to give the target groups the understanding that this project "belongs" to them and that the expert team's task is to assist them on an equal level. Only in this way can the sustainability of the project results be assured.

#### 2.5 Commitments of the Port

Generally, the success of such a management assistance project depends very much on the cooperation between the local staff involved and the expert team. Since the project start a friendly and constructive cooperation between the experts and the counterparts has been established which will be of benefit for the project's achievements.

In particular, right from the commencement of the project the Port assigned key management members as counterparts to the expert team. These managers and the team members formed four different working groups covering the relevant areas of the project:

## Economic, Financial and Accounting - Work Group

This group consists of the heads of the commercial and economic departments, the chief accountant and the internal auditor. Further participates in this group the legal officer of the Port and a relevant economist, an accountant and an engineer.

#### Operations - Work Group

This group consists of the head of operations department and all deputy managers from all port terminals.

#### Technical - Work Group

This group consists of the chief engineer (head of the engineering department and Deputy Port Director), the heads of the hydro technical and the mechanisation and design departments, as well as other relevant engineers of the port.

## Personnel - Work Group

This Group consists of the head of the personnel department, the head of the educational and production complex and the Port's legal secretary.

## 3. Project Planning

## 3.1 Co-ordination with other Projects

This project has many interlinkages with the projects of the Tacis-TRACECA programme and also with other Tacis projects, which must be given due regard when proceeding with the project work. The Port of Baku in particular is of prime importance to the TRACECA programme as it is a "point of concentration", where the northern and southern transport routes of Central Asian as well as of the Caucasus merge and diverge. The efficiency and effectiveness of the Port will have a major impact on the future traffic of all kinds of surface transport. It is therefore of importance to integrate the planning for port facilities and for port services in Baku into the developing freight market in Azerbaijan and the region.

The expert team will consider the results of Tacis studies that belong to the framework of this project, such as the study on the Caspian Sea Water Level of 1995 and the study on the Caspian Shipping Corporation, and apply their findings and recommendations to the project, as far as possible. The expert team also actively tries to incorporate views, finding and results of other ongoing studies and projects in the concerned area of TRACECA.

A close co-operation with the expert team working on the renovation of the ferry terminals of Baku and Turkmenbashi will be established, because the ferry terminal in Baku is a major port facility where transit cargo traffic is handled. The anticipated changes in the transport market, especially the increasing truck traffic and the simultaneously inclining traffic of railways, will have a major impact on the ferry terminal. The rising sea level will not be the only problem to be tackled, the land side infrastructure and, probably, the location of the ferry terminal are major issues to be considered in conjunction with the Port's needs and within the changing transport infrastructure requirements. It is a fact that the current ferry terminal in the centre of Baku City has no appropriate access roads to the main roads carrying the truck traffic from and to the west, the south and the north.

In the course of the project a close co-operation and communication with the other Tacis-TRACECA project is intended, where ever it is necessary and possible.

## 3.2 Project Objectives

The overall goal of the project is to enable the Port to become effective and efficient in handling cargo and in developing and performing all subsidiary commercial activities that foster a smooth transfer of goods and an uninterrupted flow of transport along the TRACECA transport corridors. To achieve this and to generate the necessary funds the port has to attract cargo, first of all. Therefore, it has to work in a competitive way within the economical environment of Azerbaijan and be managed in accordance with market-economic principles.

During the LogFrame project planning workshop the following six main outputs/results have been identified:

- 1. The port works to capacity
- 2. The port management is able to work in market economic conditions
- 3. A management information system is implemented
- 4. A decision concerning the establishment of a Freeport is taken
- 5. Additional port services are attracted
- 6. Main investments for the reconstruction of the Port are defined and their financing is secured

These objectives are in line with the Terms of Reference. The activities necessary to reach these objectives address the major key problems of the Port, such as:

- defining the reconstruction projects of the port to tackle the impact of the rising sea level
- finding new fields for activities for the Port within the freight industry in Azerbaijan and in the TRACECA countries
- assist the Port in the transition process brought about by the recent political, social and economical changes.

## 3.3 Approach, Results, Project Planning

As already described in section 2.3, the project commenced with an intensive project planning workshop, involving the expert team and management staff of the Port.

The objectives, outputs and activities resulting from the analytical part of the workshop are documented in the Project Planning Matrix (Annex 3.1) and in a comprehensive Project Activities Plan (Annex 3.2). The Overall Plan of Operations, the Overall Output Performance Plan and the Plan of Operations for the next period (Work programme) are based on this.

In the light of the Project Activities Plan, the expert team has reviewed the deployment schedule for each individual expert and adjusted each expert's manpower input in accordance with the allocated time frame and the resulting work load per activity. The originally planned overall manpower input will not exceed, but changes to the durations of the experts' assignments were necessary in order to distribute the workload. These changes are outlined in an updated Expert Deployment Schedule (see **Annex 4**).

The Project Activities Plan is structured in activities, overall activities and milestones. Generally, the activities are connected to indicators, describing relevant results of the activities. Responsibilities have been allocated to both the concerned experts and the relevant work groups of the Port. For the purpose of this project, as mentioned before, the Port and the expert team have formed four different working groups according to their related work and responsibilities, covering the main areas of Finance/Economics, Operations, Technical, and Personnel (see the list of groups in **Annex 5**).

## 3.4 Constraints, Risks and Assumptions

Some of the development activities of the project are concerning outside parties of the Port, and require decisions, approvals or agreements with those. These outside factors are uncertainties which can limit the project's achievements.

Major outside factors which have a considerable impact on the Port are:

the establishment of regular and reliable ferry services between Baku and Turkmenbashi and between Baku and Aktau and their acceptance by the transport industry



- the free accessibility of the waterways connecting the Caspian Sea with the Black Sea
- the limitations on overland transit routes caused by closed boarders or national regulations of adjacent countries
- armed conflict in the region and security problems 8
- infrastructural deficiencies in the entire regional transport system

These risks are have a major impact on the Port's development, and for the purpose of this project realistic assumptions about them must be taken.

#### 3.5 Planning for the next Period

The individual activities for the next period (first 6 months after project start) are already defined in the overall plan of operations. The experts concluded, based on the impressions gained in the initial workshop and during the fact finding carried by the expert team since, that a Business Field Analysis (BFA) for the Port will be an appropriate instrument to cover a large part of the project activities on one hand, and to involve the port management as well the port users in this project on the other hand.

Generally, the BFA will analyze the current business fields of the port in respect to revenues, costs, assets, operations, organisation and profitability. To do this, an inside/outside view of the Port's past activities (the views of the Port's staff and of port users) will be assessed. The active freight industry in Azerbaijan, which consists currently of freight forwarders, trucking companies, the railway organisation, shipping lines, shipping agents, shippers, and consignees will be involved in this process. The expert team together with management staff will conduct interviews and also invite these clients of the Port to participate in a workshop. During this workshop the current business fields of the Port will be analysed and activities of the Port necessary in future to satisfy the needs of the freight business will be identified. The results from interviews and workshop will form the basis for a new commercially oriented structure of the Port. The results will also identify port services facilities needed in the future and the associated investments to overcome the current shortcomings.

The BFA will be accompanied by training programmes for several target groups of the port management in order to familiarize the staff with modern management methods in the field of business administration, financial management, marketing/sales and staff management.

The BFA programme (see **Annex 6**) will run until mid of May and takes place in three sequences, each consisting of a workshop, a work group programme for elaboration of specific tasks, and a training course. The sequences are described as follows:

1. Sequence			
BFA-Workshop	Work Group	Training	
The existing business fields of the Port will be identified and existing departments, units and staff of the port will be allocated to these fields. A first view on generated revenue of 1995 and, as far as possible, relevant expenses will be worked out. The results shall give a business oriented structure of the port and identify the value of the business fields and their importance to overall profitability.	Based on the results of the first BFA-Workshop the financial work group, guided by the financial expert of the team, will elaborate a revenue and expenditure structure, showing the contribution margins of the individual business fields. The results of this work group will be presented in the 3. BFA-Workshop.	The financial work group will participate in a one week training course, conducted by an external lecturer. The subject of this training will be basic business administration and fundamentals of cost accounting. It will also include a short introduction to computer based cost accounting systems.	

2. Sequence			
BFA-Workshop	Work Group	Training	
This Workshop will be a "port user workshop". Relevant representatives of port users will be invited to this workshop and together with port management staff identified market requirements and future business fields the market is asking for.	Based on the results of the second workshop the technical and the operations work groups will work out plans and specify projects in the identified business fields, for the Port to become active in. The results of these work groups are already part of the medium and long term planning of the port.	The financial and the operations work groups will together participate in a one week marketing and sales seminar. The objective of this training is to familiarize the management staff with marketing and sales methods in order to develop activities for the identified business fields.	

3. Sequence			
BFA-Workshop	Work Group	Training	
The objective of the third workshop is to design together with the port management staff a new appropriate organisation structure. The results of the previous two workshops and the knowledge gained in the training sessions will form the starting point. This organisation workshop will focus on commercial elements and structures in modern institution building.	The objective of this work group is the detailed planning of the future organisational structure in respect of operations, marketing/sales, financial management, accounting, asset allocation and personnel. The result shall be the future organisation scheme, including manpower requirements, as well as an adequate cost accounting structure assisting management in decision making and controlling.	This training will be a management training seminar for the key management staff of the port. It will emphasize modern management methods in business administration and staff management.	

#### ANNEXES:

Annex 1: Results of the Project Planning Workshop

1.1: Participation Analysis1.2: Problem Analysis1.3: Objectives Analysis

Annex 2: The initial findings for the sections Finance/Accounting and

Operations

Annex 3: Project Planning

3.1: Overall Output Performance Plan (Form 1.5)

Project Planning Matrix

3.2: Project Activities Plan

Overall Plan of Operations (Form 1.4)

Work Programme (Form 1.6)

Annex 4: Experts' Deployment Schedule

Annex 5: List of Working Groups

Annex 6: Business Field Analysis Programme

## Annex 1

# **Results of the Project Planning Workshop**

Participation Analysis (5 pages)

Problem Analysis (4 pages)

Objectives Analysis (4 pages)

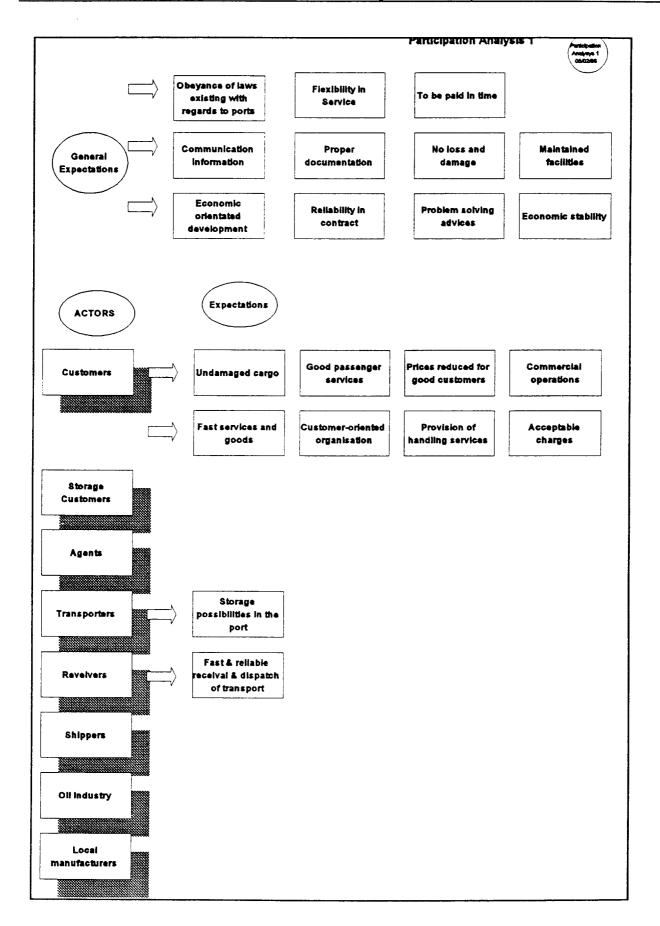
## **Participation Analysis**

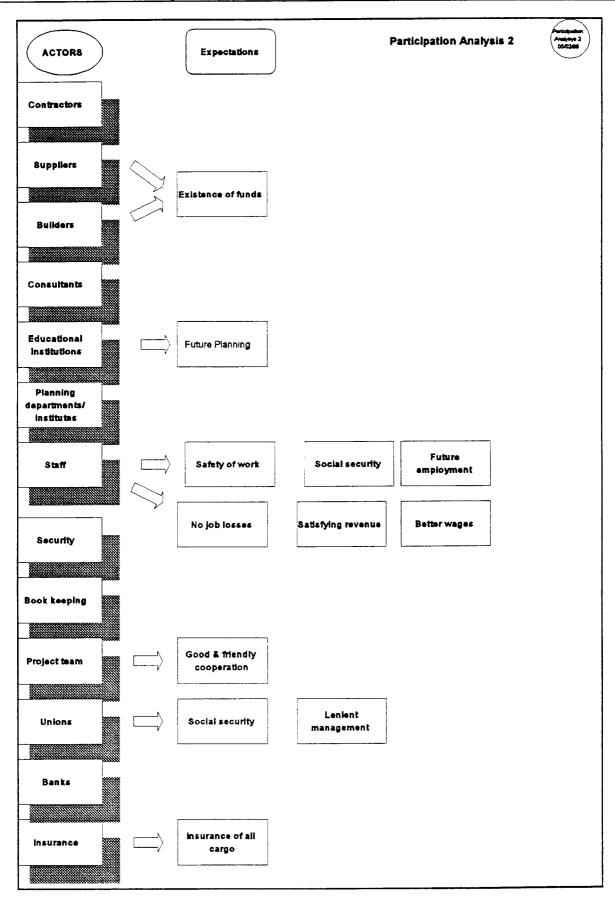
The participation analysis gives an **overview** of all persons, groups, organisations and institutions connected with the project in any way.

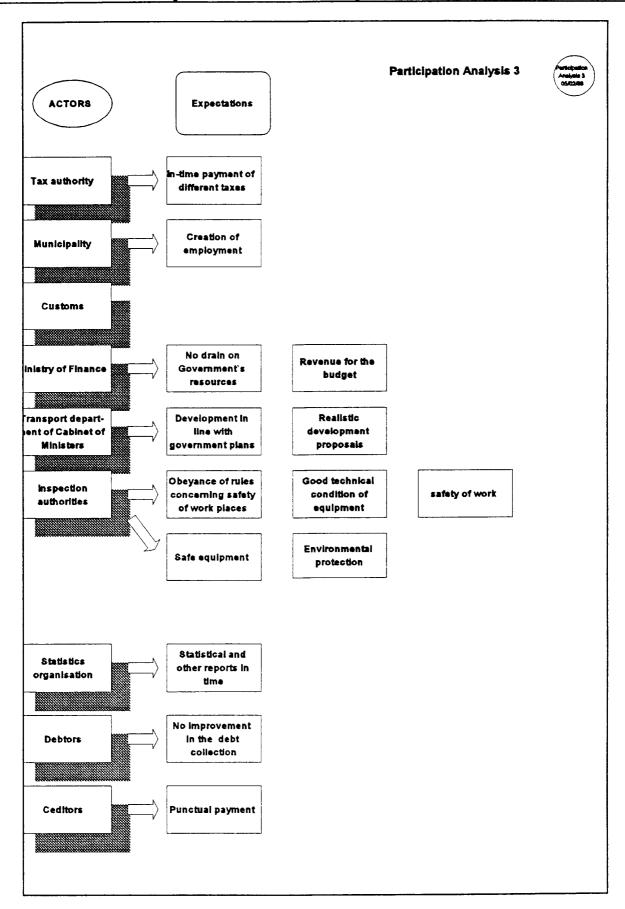
It incorporates the interests and **expectations** of persons and groups significant to the project.

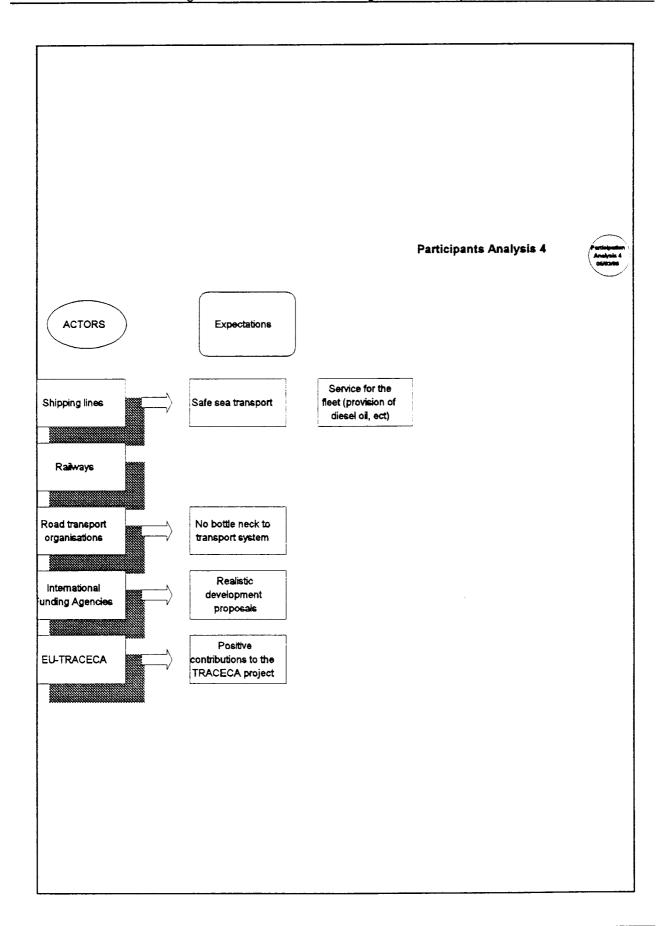
The following five pages show the different interest groups the LogFrame working group identifyed as being connected in any way with this project as well as the expectations the work group felt they might have.

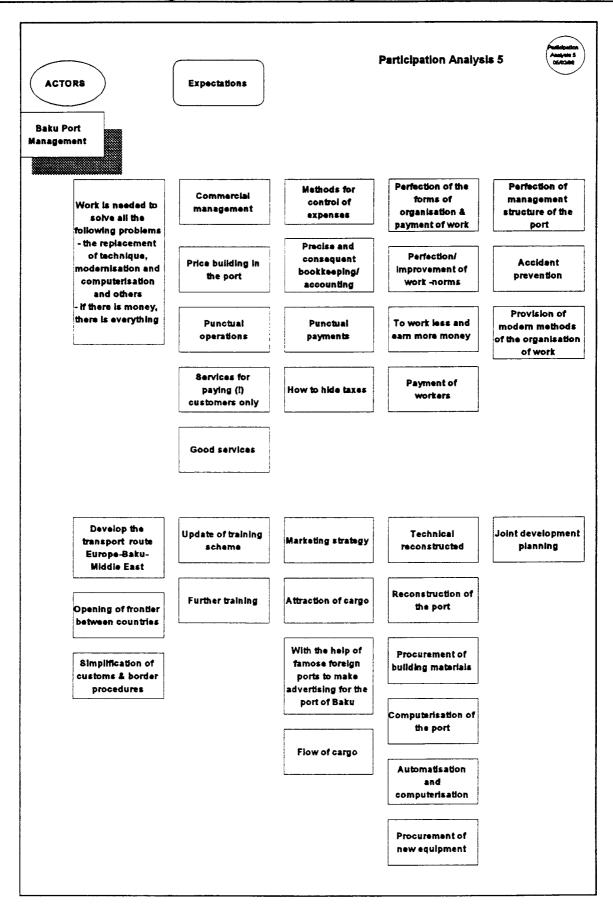
These pages are copies of the wall posters that were developed during the workshop.











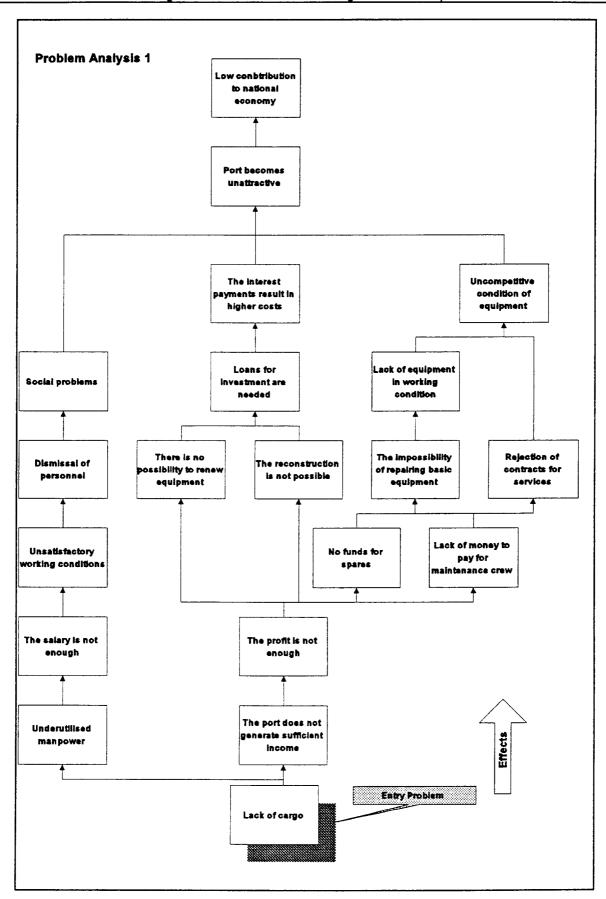
## **Problem Analysis**

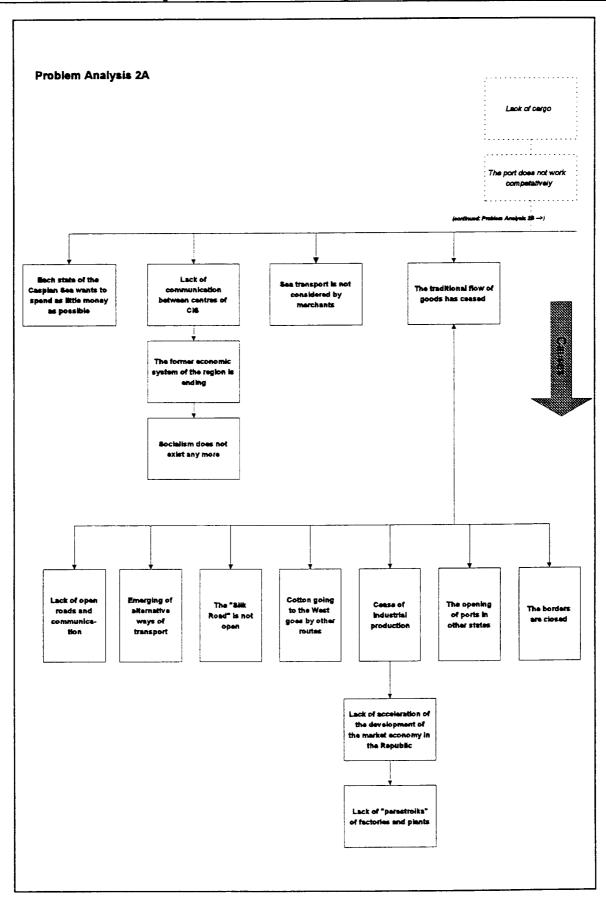
The problem analysis is a set of techniques to analyse the **existing situation** surrounding a given problem condition. It identifies the **major problems** in this context, defines the "entry problem" of a situation and visualises the **cause <-> effect** relationships in a diagram, the Problem Tree.

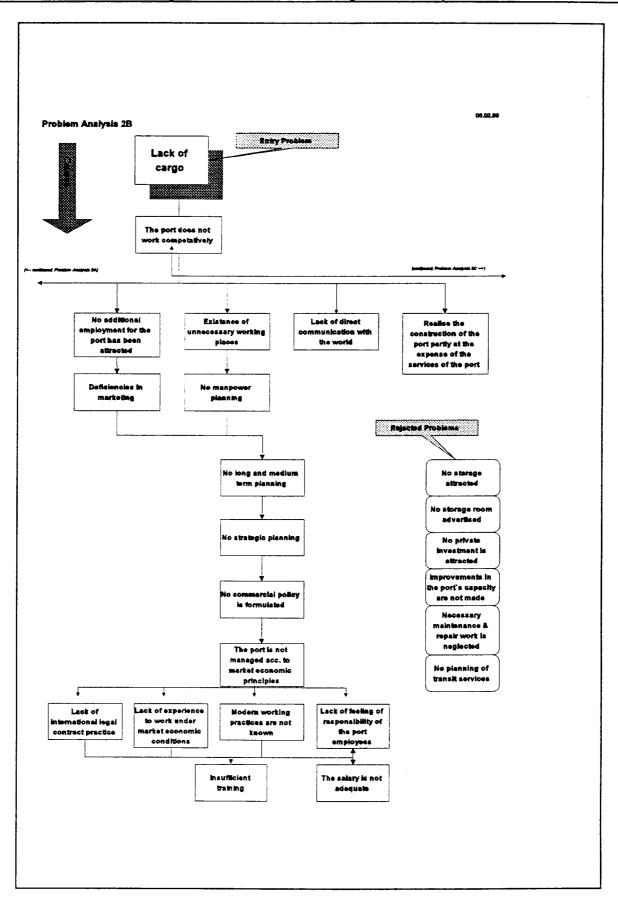
In this respect it is important to note that a problem is defined as an existing negative or undesirable state, that one wants to change. It is neither the absence of a solution nor a fault or mistake of somebody.

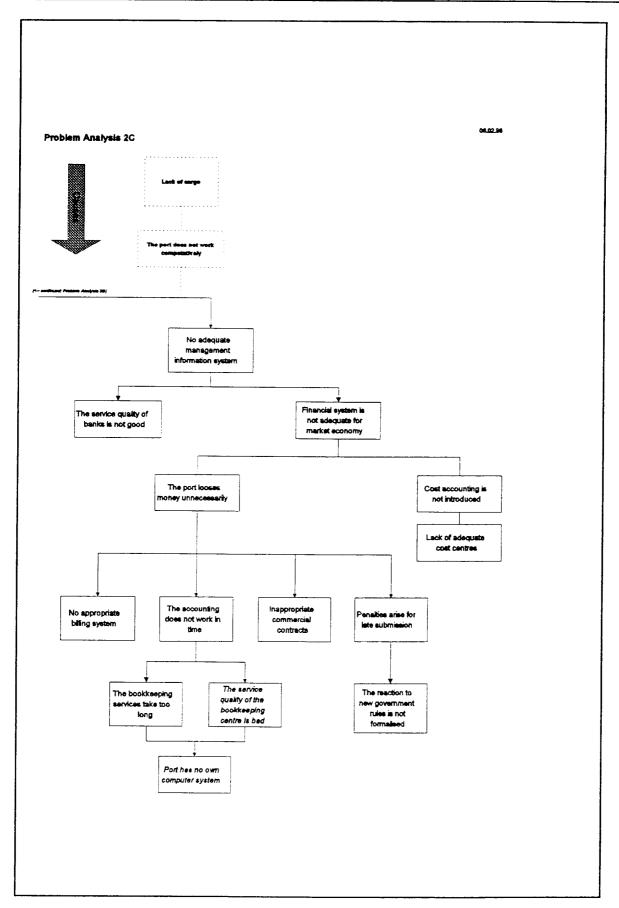
The following four pages show the identifyed problems and their cause <-> effect relationship as perceived by the LogFrame working group.

These pages are copies of the wall posters that were developed during the workshop.









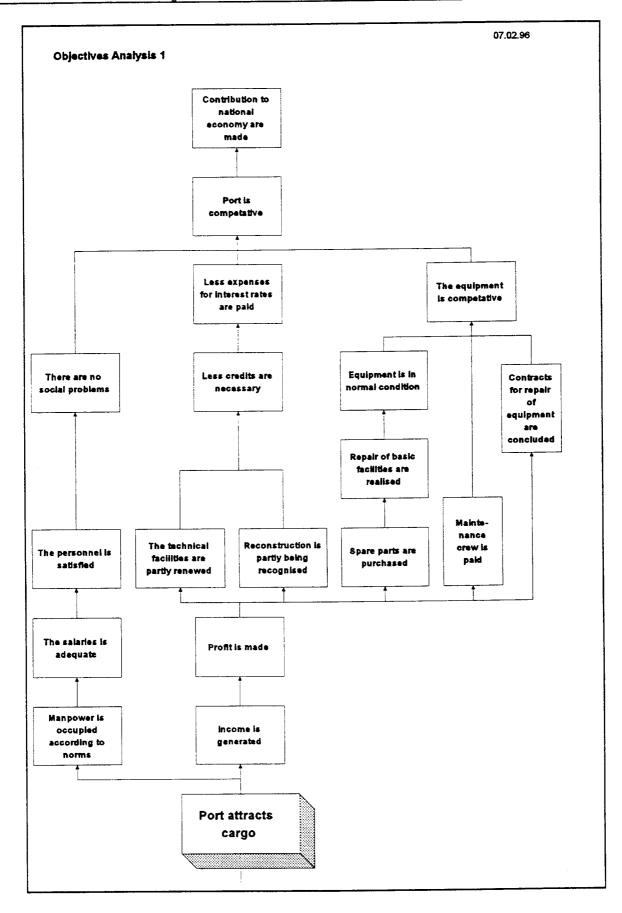
## **Objectives Analysis**

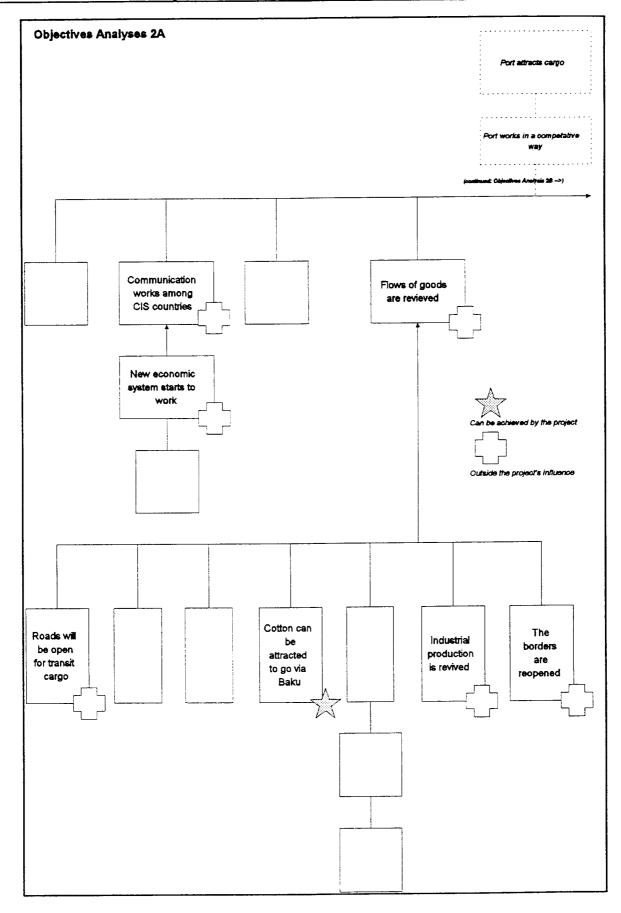
The objectives analysis is a set of techniques to describe the **future situation** that will be achieved by solving the problems. It also identifies the potential alternatives for the project.

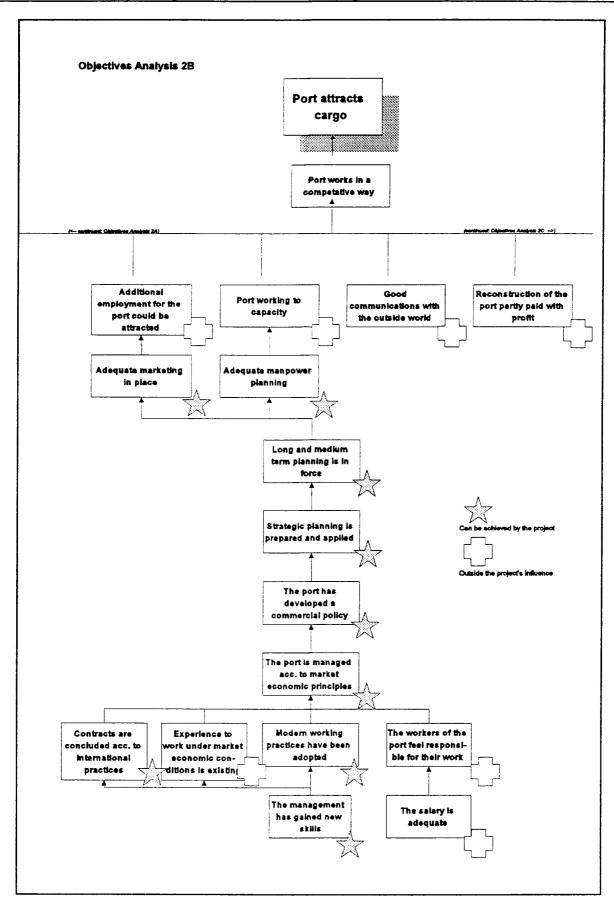
It restates all negative conditions of the problem tree into positive conditions that are **desirable and realistically achievable**. It deletes objectives that do not seem to be expedient or necessary.

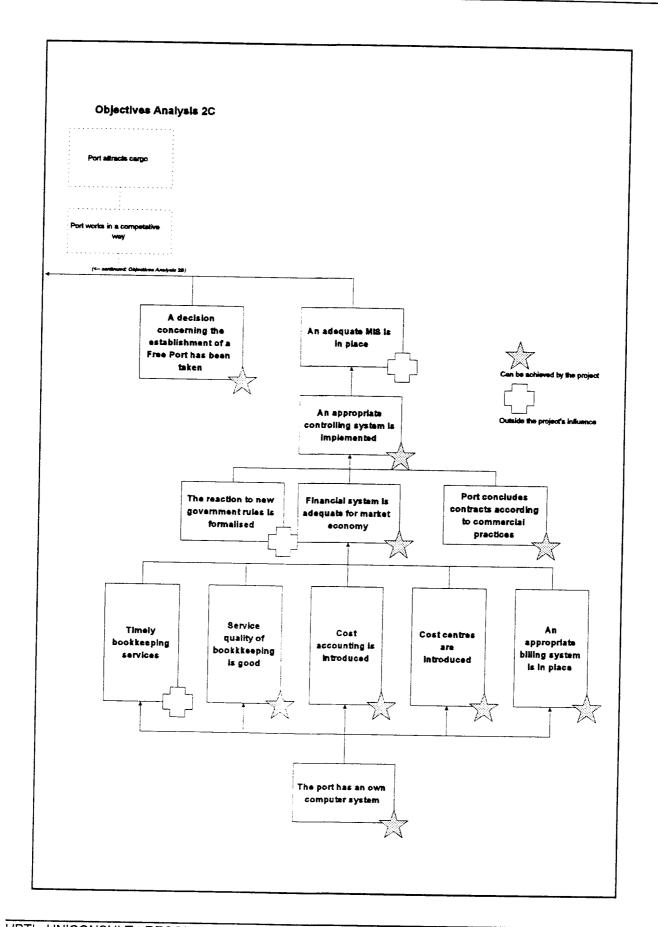
The following four pages show the identifyed problems restated into desirable and realistically achievable objectives and gives their means <-> ends relationship as perceived by the LogFrame working group.

These pages are copies of the wall posters that were developed during the workshop.









Tacis-TRACECA: Manageme	ent Assistance and Training for t	he Development of the Port of Baku
Annex 2		
Allica 2		
Initial findings for the	e sections Finance/A	ccounting and Operations
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#### Annex 2

# Initial findings for the sections Finance/Accounting and Operations

To give a first glance of the Port's situation, in the following the initial findings of the sections Finance /Accounting and Operations are given:

#### 1. Finance / Accounting

#### Chart of accounts

The existing chart of accounts of the Port is based on a compulsory general chart of accounts instituted for all Azerbaijan companies, published in February 1993, and elaborated with the assistance of UN consultants. The new chart of accounts, however, is at least partly based on the previous one of the former Soviet Union. The existing accounts are not sufficiently structured for the allocation of cost categories and for a required cost centre structure.

## Accounting documentation

The accounting equipment was found to be in a fairly poor state, but the usual accounting figures are available with a reasonable delay of 2-3 weeks. In general, the main official documents are at the first glance structured according to international standard. The accounting documents are, however, not easily identifiable by any individual chronological and unequivocal markings or numbering. A numbering structure would allow easy allocation to specific fields of accounting such as accounts receivable, accounts payable, general ledger, payroll etc.

### Asset register and depreciation

The Port uses a book with norms for deprecation for all different kinds of assets. This book was published in October 1990 by the administration of the former Soviet Union. It is questionable if these norms really reflect the economical life span of assets, the depreciation periods vary from 2 years (tent of a circus) to 500 years (underground railway tunnel). Due to the rampant inflation in the past, the Port's assets are understated in the Port's accounts. The length of the depreciation time, which is in general too long, also makes it difficult to see a "true and fair" view of the values of the company.

#### Balances and profit and loss accounts

Balances and profit and loss accounts are elaborated quarterly in a prescribed form, laid down by Azerbaijan authorities. During the last years the profits, shown in local currency, were increasing due to the continuous devaluation of the Manat.

#### Inflation accounting

The main problem of the Port's accounts has been the rampant inflation in Azerbaijan in the past. This basically means that traditional, historical cost accounting does not give the "true and fair" view of the company's assets, liabilities and operations.

Generally, high inflation tends to erode the assets and overstate the company's profits.

### Accounts receivable

An open entry list of the debtors of the Port as per 01.01.1996 had been presented to the expert team. According to information received from the accounting department, about 50% of the outstanding amounts in Manat are from other parastatal organisations. Most of these institutions are not existing any more or are in financial difficulties. Invoices reaching back to the year 1992 are still counted as receivables and are not written off, further the values of this receivables are extremely diminished due to the past rampant inflation.

### Accounts payable

The open entry list of the creditors of the Port as per 01.01.1996 includes debtors and some creditors for buying and selling material. According to information received from the Port, creditors on the debit side have been given advance payments for material purchase for the Port's supplies.

### **EDP**

Computerization is not existing, with the exception of 3 personal computers remaining from a former EDP project in the Port. One of these is located in the personnel department, but is without any software due to lack of funds. The supplies department is using another computer for the administration of stores and material delivery orders. The ferry terminal uses the third computer for the calculation of charges for services to customers, (channel dues, navigation dues, ships dues, sanitary dues). Further hard or software is not existing, all other work is done manually. The preparation of the basic requirements for a future implementation of modern computer assisted accounting systems should be a sine qua non.

### **Auditors**

According to information from the Port public auditing is unknown and not compulsory in Azerbaijan, an internal auditing department exists in the Port.

### Tax inspection

Usually twice a year a tax inspection is carried out by the governmental tax authority for controlling purposes.

### **Budget**

According to information from the Port a medium term budget, which was required by the government, has been made up to the year 2000 in Manat and US \$. Due to the political and economical situation in the country a longer term plan (e.g. five or ten years budget) is of utmost doubtfulness. For the expert team it is not possible to advise on a five years budget before October 1996, until more details about future structures and the Port's policy are determined and better statistics and analyses are elaborated.

### Training for financial staff

Relevant staff members of the Port lack knowledge in basic concepts for commercial structures of companies in a market-oriented system and their implications towards financial- and cost accounting systems. Basic definitions of technical terms are unknown or vary to the understanding in the market oriented society. Dedicated training programmes will, therefore, be a *sine qua non*.

### 2. Operations

### Facilities and infrastructure

The port facilities are designed mainly for railway conveyance of cargo. The entrance and exit gate of the port is very narrow. This would, in case of increased truck traffic, lead to a bottleneck situation, especially in consideration of a lack of appropriate marshalling areas on the terminal as well as outside the port's gate. The square in front of the main gate is always congested by parking vehicles, making access to the port difficult. The access roads to the port are very narrow and connecting roads through the city to the west and the south main overland roads are closed for heavy truck traffic by the local authorities.

The surface of the working areas in the port is uneven and needs repavement, rail tracks are not integrated in the terminal surface, which leaves several areas inaccessible for trucks or rolling working machinery.

All warehouses are in neglected conditions and need urgent rehabilitation work, especially doors and roofs require repairs.

The ferry terminal has no marshalling area for trucks that are loaded to or discharged from the ferry. Trucks are parked at the curb of the only access road, causing an obstruction to incoming traffic.

### Tariff

The Port has a valid tariff to which work is presently charged. Some rates and cargo handling charges in this tariff are based on US\$, other charges of the tariff for special services are given in Manat. The appropriateness of the charges have not been investigated, yet.

### Port operations

The general cargo terminal, the ferry terminal and the passenger pier are presently operated to traffic requirements. The timber terminal is out of order, due to submerged facilities because of the rising sea level. Portal cranes have been moved from the timber terminal to the main terminal of the Port. The ferry traffic works to traffic requirements without a fixed schedule, due to irregular appearance of cargo. Ferry operations are extremely difficult due to the high water level. The linkspans must operate in their highest position, which makes proper berthing of the ferries very difficult. The port engineers are trying their best to keep the facilities operational.

### Cargo handling equipment

Stevedore cargo handling gear exists in the Port's gear stores. Quantity and quality of the gear is sufficient. The gear is in working condition, due to attentive maintenance. Many pieces of the gear had been manufactured in the port by skilled craftsmen. Maintenance and production of stevedoring gear seems to be an ongoing process.

The rolling stock (plant equipment) of the port is over-aged and some items of it are apparently worn out. The technical staff of the respective departments keeps on to do the most urgent repairs in a most admirable way. Obviously, there is a serious lack of essential workshop tools and equipment, and the entire maintenance work suffers from a notorious shortage of spare parts. Due to the little cargo movement at present the percentage of availability of technical equipment could not be determined, yet.

# Annex 3.1.1

# **Overall Output Performance Plan**



Tacis-TRACECA: Management Assistance and Training for the Development of the Port of Baku

# (Form 1.5) OVERALL OUTPUT PERFORMANCE PLAN

Technical A Baku	Project litte:	Project No.:	Country:		Page:
Manageme	Technical Assistance for the Development of the Port of Baku Management Assistance and Training	TELREG 9304	Azerbaijan		Annex 3.1.1
Planning P	Planning Period: 01 February 1996 - 28 February 1996	Prepared on: 25 March 1996	EC Consultant:	EC Consultant: HPTI Hamburg Port Training Institute GmbH	mbH
Outputs	Outputs (to be described and target dates indicated)	Agreed Objectively Verifiable Indicators	ators	Contraints and Assumptions	ptions
<u>r.</u>	Port works to capacity	Equipment and manpower adjusted to workload till end of project	oad till end of	Relevant authorities agree to manpower adjustments	er adjustments
2.	The Management of the port is able to work in market economic conditions	The port managers have received training in their fields of managerial responsibility	their fields of	Management personnel is released for training	rtraining
3. iri	A Management Information System is implemented	An MIS is able to work till end of project		MIS proposal is accepted by relevant authorities	authorities
4. A 17.	A decision concerning the establishment of a Freeport is taken	A Freeport is established by end of project		All relevant authorities support the establishment of a Freeport	ablishment of a
.5. A	Additional port services are attracted	At least five activities to attract additional servicres have been proposed by end of project	icres have		
6. P.C	Main investments for the reconstruction of the port and their financing are defined and secured	An investment plan and its financing is proposed to the respective authorities	sed to the	A stable political situation is existing	



# **Annex 3.1.2**

**Project Planning Matrix** 



# PROJECT PLANNING MATRIX

Ob	jectives	/Activities	Indicators	Assumptions
Ov Go	erali Pal	Port attracts cargo	Turnover increases by at least 20% on yearly basis	
	oject rpose	Port works in a competitive way	Tariff, service level and long term profit in line with comparable ports	
	tputs/ sults			
1.		rks to capacity	Equipment and manpower adjusted to workload till end of project	Relevant authorities agree to manpower adjustments
2.		nagement of the port is able to work in economic conditions	The port managers have received training in their field of managerial responsibility	
3.	A Mana	gement Information System is imed	A MIS is able to work till end of project	MIS proposal accepted by relevant
4.		on concerning the establishment of a t is taken	A Freeport is established by end of project	authorities
5.	Addition	al port services are attracted	At least 5 activities to attract additional services have been proposed by end of project	
6.		restments for the reconstruction of the later their financing are defined and secured	An investment plan and its financing is proposed to the respective authorities	
Ac		parate sheets t Activities Plan)		All relevant authorities support the establishment of a Freeport
				Management person- nel is released for training
	7.7			A stable political situa- tion is existing



# Annex 3.2.1

# **Project Activities Plan**

(11 pages)



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lltant	-	eneral	H, HW									
EC Consultant		Director General	ML, RP, BH, HW								ML, RP	ML, BH
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Stop	29.11.96	15.05.9	15.05.9	14.06.96	17.06.9	15.08.9	29.11.96	30.11.96	30.11.9	15.04.9	15.05.9	01.08.9
Start	12.02.96	15.05.96	12.02.96	16.05.96	17.06.96	15.07.96	02.08.96	12.02.96	30.11.96	12.02.96	13.02.96	16.05.96
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Indicator	Min. 5 activities for additional employment proposed by end of project										Development plan reviewed	
Result/Activities	1 Establish private activitius/ investment in the Port of Buku	1.1 Decision concerning the attraction of private investors is taken	1.2 Identify fields for private involvement in the port	1.3 Suggest to authorities modification to existing Port legislation for private investment	1.4 Legal framework for private investment is agreed by authorities	1.5 Prepare documentation for negociations with private investors	1.6 Promote attraction of private investment locally and internationally actively	2 Elaborate and implement port infrastructure investment plan	2.1 Major investments for the reconstruction of the port and their financing Identified	2.2 Identify internationally recognized assessment methods	2.3 Identify realistically possible developments for infrastructure	2.4 Justify financially infrastructure investments according to internationally recognized methods
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ML=M Lentsch, Assistant to the Director General; RP=R Pechmann, Operations Advisor; BH=B Hübner, Financial Advisor; HW=H Wagner, Training Expert; Work Groups: F=Finance; T=Technical; O=Operations; P=Personnel

										1996			
ž	Result/Activities	Indicator	Start	Stop	EC Consultant	Counterpart	exp. d	π Σ	V.	¬ ¬	A S	0	٥
13	2.5 Prepare a time phased plan for major infrastructure projects	Time schedule for development plan is submitted	16.05.96	30.08.96	ML, RP	Director General, T	81						
4	2.6 Establish an investment project coordination unit		01.05.96	15.05.96	ML	Director General	က						
55	2.7 Prepare financial documentation for the reconstruction of the ferry terminal		01.05.96	01.07.96	ML	Director General, RAMBOL	2						
16	2.8 Prepare documents for negociations with funding institutions		01.08.96	29.11.96	ML	Director General, F	6						
11	2.9 Assist in securing investment funds		04.09.96	30.11.96	ML		ဗ						
18	3 Conduct management fraining and develop a training scheme	All managerial personnel of the port underwent management training in their field of manag. responsibility	14.02.96	30,11.96	MH	P, Training Centre	7		:				
19	3.1 Port Management is acquainted with management skills required in market economy		30.11.96	30.11.96					*************				<b>4</b> 30.1
20		Manpower audit is evaluated	19.02.96	30.04.96	MH.	۵.	0						
21	3.3 Identify new skills to fulfill the future demands on management		14.02.96	31.05.96	MH	۵	ر د						
22	3.4 Design management training programmes		18.03.96	15.10.96	HW, RP, BH		=						
73	3.5 Arrange training locations and related logistic facilities		15.03.96	15.05.96	MH.	Training Centre	5						
24	4 3.6 Engage management trainers		15.03.96	30.05.96	WH		е						
<u> </u>	ML=M Lentsch, Assistant to the Director General; RP=R Pechmann, Operations Advisor, BH=B H	. General; RP≐R Pechmann, Operatic	ons Advisor,	BH=B Hübr	ner, Financial Advis	ior, HW=H Wagr	ier, Traini	ng Expert; Wo	ork Group	übner, Financial Advisor, HW=H Wagner, Training Expert, Work Groups: F=Finance; T=Technical; O=Operations; P=Personnel	inical; 0=0pe	erations; P	-Personn

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FC Consultant			HW, RP, BH		нw, кр, вн	HW, ML, BH	HW, ML, BH					<u></u>
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Stop	31.05.96	29.11.96	15.10.96	29.11.96	30.08.96	27.11.96	29.11.96	30.11.96	31.10.96	29.11.96	30.05.96	15.05.96
	96	07.10.96	16.04.96	15.03.96	01.04.96	01.08.96	01.08.96		1		30.05.96	15.02.96
Start	15.0	07.1	16.0	15.0	01.0	0.10	0.10	01.10.96	01.10.96	15.02.96	30.06	
Indicator										A Freeport is in operation by the end of 1996		Feasibility study with recommendations submitted within 3 month
Result/Activities	3.7 Conduct and supervise management training sessions	3.8 Conduct and supervise management training sessions	3.9 Conclude and fine tune future management training programmes	3.10 Monitor the effect of implementing management training programmes	3.11 Identify personnel with skills to become management trainers	3.12 Design management training programmes for in-house trainers	3.13 Train in-house trainers	3.14 Develop a scheme of permanent training and formation	3.15 Establish a training budget	4 Establish a Freeport in Baku	4.1 Government decision concerning the establishment of a Freeport in Baku is taken	4.2 Investigate the feasibility of establishing a free port
ž	25	<b>5</b> 6	27	28	29	30	31	32	33	34	36	36

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	Result/Activities	Indicator	Start	Stop	EC Consultant	Counterpart	exp. d	L.	W	A	7	_ _	_	_ _ s	_ _	_ 	
4.3 Designerion regulation approval	<ul><li>4.3 Design necessary regulations for govenment approval</li></ul>	Draft regulations are prepared within 1 month	15.05.96	15.07.96	ML	L	2		·	120220					<u>.</u>		
4.4 L gove settii	4.4 Liaise with other government authorities in setting-up procedures	Agreement on setting-up is reached	03.06.96	15.07.96	ML	Director General, F	e .										
4.5 for c	4.5 Establish favourable tariffs for clients	Tariff prepared and submitted to Gen. Dir.	16.05.96	14.06.96	ML, RP, BH	Б, О	10			<b>288888</b>							
4.6 stru opei	4.6 Prepare proper organisation structure for freeport and operational procedures	Orga. structure and oper. procedures agreed + submitted	16.05.96	15.07.96	ML, RP	Director General, F, O	ω						•••••	<u>.</u>			
4.7 Pro clients	4.7 Promulgate the freeport to clients	The advertising booklet is in place and spread allover the world	01.08.96	29.11.96	HW, ML	u.	9		•••••••••••••••••••••••••••••••••••••••								
Introd	5 Introduce an appropriate Management Information System	Management Info Sytem workable by end of project	12.02.96	31.01.97							3.						I
Mai Sys	5.1 An appropriat Management Information System is in place		30.11.96	30.11.96					***************************************				•••••			•••••	30.1
6.2   asse	5.2 Review and improve assets management		13.02.96	31.05.96							<b>P</b>						
	5.2.1 Check list of all fixed assets		13.02.96	13.05.96	BH, ML	LL.	6									***************************************	Production 1 - Production
	5.2.2 Check the evaluation of all assets	Evaluation of all assets is checked	01.03.96	31.05.96	BH, ML	L	7									***************************************	
	5.2.3 Check the stock inventory list	Stock inventory list is checked and submitted	01.04.96	31.05.96	вн, кр	F, T	8							••	••••	***************************************	
	5.2.4 Check the list of normative depreciations	List is checked	13.02.96	29.03.96	ВН	LL.	6					•••••	••••	***************************************			

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of for			Start 15.04.96	30.08.96	EC Consultant	Counterpart	exp. d	<b>∑</b>	A M	<u>ا</u>	4	S	0	z
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5.3.1 Identify information List of info needs documented by 15.04.96 01 needs of top managemnt end of June	List of info needs documented by 15.04.96 end of June		2	01.07.96	ML, HW		12							
5.3.2 Identify information List of info needs documented by 15.04.96 01 needs of the different end of June departments	List of info needs documented by 15.04.96 end of June		10	01.07.96	ML, RP, BH, HW		6							
5.3.3 Identify computer submitted by end of June departments	15.04.96		9	01.07.96	ML, RP, BH, HW		12							
5.3.4 Design modern Concept for computer based MIS is submitted	01.07.96	<del> </del>	Si Si	30.08.96	ML, RP, BH, HW		20							
5.4 Review and improve cash management			30	30.11.96										
5.4.1 Review the cash by end of March 12.02.96 29.03.99 conditions and the formulars used	12.02.96		29.0	3.96	H	LL.	9							
5.4.2 List up all creditors List of creditors is finished 19.02.96 29.03.99	List of creditors is finished 19.02.96		29.03	3.96	H	LL.	4			***************************************				
5.4.3 List of debtors List of debtors is finished 19.02.96 29.0	19.02.96	<u> </u>	29.0	29.03.96	Н	L.	4						••••••••••	
5.4.4 Suggest ways of Clear criteria for a payment 02.08.96 15.10.99 avoiding defaulting and scheme for port services are non-paying clients proposed, mid October	02.08.96		15.10	96.0	ВН	L	9							
5.4.5 Propose an efficient mid of October 02.08.96 15.10.9 payment and invoice control system	mid of October 02.08.96		15.10	96:0	Ha Ha	L.	9							
5.4.6 Check daily liquidity Formalized control of daily liquidity 02.09.96 30.11.9 is introduced by end of November	Formalized control of daily liquidity 02.09.96 is introduced by end of November	<u> </u>	30.1	1.96	BH.	LL.	9	·····						

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		Indicator		Stop	EC Consultant	Counterpart	exp. d	± ∑	A M	A L	0 8	o z
anage the	Formalized system is	proposed	02.08.96	30.11.96	ВН	u.	ထ					
5.4.8 Monitor daily Monitoring system is proposed financial status	Monitoring system is pro	posed	02.08.96	30.11.96	BH, ML	u_	ဖ					
5.5 Develop a budget management concept			12.02.96	30.11.96								
5.5.1 Prepare operational Budgets for 96 assessed, budget for 97 proposed by end October	<u> </u>	budget	14.02.96	30.10.96	ML, BH, RP, HW	L.	41					
5.5.2 Elaborate Maintenance plan proposed for maintenance plan budget	Maintenance plan propose budget	d for	01.05.96	28.06.96	RP	0	n					
5.5.3 Prepare concepts for Budgets are prepared 2 month medium term budgets are prepared 2 month after finalization of investment plan		th it plan	02.09.96	31.10.96	ML, BH	L	8					
5.4 Continuously follow up budgets is established		۵	02.08.96	30.11.96	BH	L	5					
5.5.5 Get an overview on tax system			12.02.96	15.03.96	BH, ML	LL.	9					
6.6 Review existing accounting system and advise on improved one			12.02.96	31.0 :: 9.							\$2.4 4.4 4.4 4.4 4.4 4.4 4.4 4.4 4.4 4.4	
5.6.1 Review chart of accounts			12.02.96	30.04.96	ВН	L	S					
5.6.2 Split up costs in fixed and variable costs			01.08.96	27.09.96	HB.	ட	2					
5.6.3 Calculate costs and system for control of costs and revenues is proposed by mid of September		and d of	17.06.96	13.09.96	HH	Ľ.	2					

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		Improved format of balance sheets is proposed till September	Balance sheets in accordance with modern bookkeeping are proposed by end of April	Balance sheets in accordance with modern bookkeeping are prepared, January 1997		is controlled and updated by every middle of month	ī.	_	payment systems compared till end of April			ugust	Written info material is prepared by July
		Improved format of balancis proposed till September	accord ng are	accord ng are		odated	Info on government policy is obtained by end of March	analyses till end of March	сошра			Proposal submitted by August	alis pr
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	ator	ved for	Balance sheets modern bookke by end of April	Balance sheel modern bookk January 1997		trolled e of mo	n gove	ses till	ent sys			sat su	en info
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		ed sets d one	ation 1995	ation 1996	ment	<u> </u>	noi		ent lent lort		d)	advise me	
		5.6.4 Establish required forms for balance sheets and propose improved one	5.6.5 Assist in preparation of balance sheets for 1995	5.6.6 Assist in preparation of balance sheets for 1996	6.7 Review existing Payment Scheme and advise on introduction of improved scheme	5.7.1 Control the payroll list	5.7.2 Obtain information on government policy regarding payment schemes	5.7.3 Analyse the existing payment schemes in depth	5.7.4 Compare payment system to other payment systems in the transport industry	doj hu	5.7.6 Assess jobs to ascertain their relative worth	5.7.7 Elaborate and advise a new payment scheme	5.7.8 Prepare written information on new scheme
		stablish r balar oose in	sist in	ssist in	existin Ladvis of im	ontrol ti	otain in rnment g payr	alyse (	ompare to othe in the	ation a	ssess j n their	aborati aymen	epare tion on
	vities	.6.4 Es rms fo nd prop	6.5 As balan	6.6 As balan	5.7 Review existing Pay Scheme and advise on introduction of improvescheme	5.7.1 Cc list	5.7.2 Obtain inform on government polir regarding payment schemes	5.7.3 Analyse the exis payment schemes in depth	5.7.4 Co system t systems industry	5.7.5 Examine job classification and job groups	5.7.6 Assess jobs to ascertain their relativ worth	.7.7 El	5.7.8 Prepare writte information on new scheme
	Result/Activities	a C.S.	ਰ ਨਾ	0.55	5.7 Revi Scheme introduc	ro.≅	K E G W	<u>ဗီ</u> ညီ ည	ທ ທີ່ທີ.⊑	<u></u>	Σ in Ω	Ω a	ψ±ŵ
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Start	26.02.96	01.05.96	01.05.96	01.07.96	01.05.96	01.05.96	01.05.96	01.05.96	12.02.96	12.02.96	12.02.96	12.02.96
	end of April	Proposal submitted	Proposal submitted	Cargo allocation system proposed by mid September		Simplification proposals documented.	Info procedure established.	Procedure of cargo documentation elaborated by end of July		Traffic forecast for the port submitted	Business field analysis concluded by mid of May	Business field analysis concluded by mid of May
Result/Activities	6.2.7 Develop performance indicators	6.2.8 Suggest a flexible gang structure	6.2.9 Suggest a modern work organisation	6.2.10 Increase efficiency of storage area utilisation	6.3 Review external influence factors on operations procedures	6.3.1 Discuss simplification of customs procedures	6.3.2 Establish a cargo information procedure with transport operators	6.3.3 Prepare cargo documentation in advance	6.4 Develop a commercial policy	6.4.1 Identify relevant traffic for the port	6.4.2 Develop marketing strategy	6.4.3 identify the port's customers

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Stop	15.05.96	28.06.96	01.08.96	15.07.96	01.08.96	30.11.96	30.11.96	30.04.96	30.11.96	01.08.96	30.06.96	15.03.96
Start	12.02.96	01.04.96	01.05.96	16.05.96	01.05.96	14.02.96	19.02.96	01.03.96	03.04.96	01.05.96	19.02.96	19.02.96
Indicator	Business field analysis concluded by mid of May	New tariff and guidelines for pricing proposesd	Concept for medium and long term plan submitted	Concept for medium and long term plan submitted	Concept for medium and long term plan submitted		Regular minutes of meeting	Cooperation plan with railways	New contracts with cargo owners are concluded	First promotion campain carried out 01.05.96	New organisation scheme for Port of Baku elaborated and proposed	List is compiled
Result/Activities	6.4.4 Identify needs of the port's customers	6.4.5 Review of tariff and pricing policy	6.4.6 Develop long-+ medium term plan	6.4.7 Define financial sections requirements for long- and medium term investment plans	6.4.8 Incorporate government's planning guidelings into long- + short term plans	6.4.9 Establisch good communication with outside world	6.4.10 Contact freight forwarding companies	6.4.11 Ask the railway for cargo	6.4.12 Negociate with shippers/ consignees and advertise port of Baku	6.4.13 Suggest cargo owners the best transport routes	6.5 Assist in developing a modern organisational structure of the port of Baku	6.5.1 Get a list of all departments for defining cost centres
$\neg \neg$	109	110	11	112	113	114	118	116	117	118	119	120

ML=M Lentsch, Assistant to the Director General; RP=R Pechmann, Operations Advisor; BH=B Hübner, Financial Advisor; HW=H Wagner, Training Expert; Work Groups: F=Finance; T=Technical; O=Operations; P=Personnel

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Counterpa Director General, F P, Training Centre	
EC Consultant Counterpart RP, HB, ML, HW ML, RP, BH, HW Director General, F General, F Centre HW Centre	
30.04.96 F 30.06.96 N 30.06.96 H 10.06.96 H	
01.03.96 01.05.96 01.05.96	
Available material reviewed Available material reviewed Organisation chart submitted by end of June New organisation scheme for the department elaborated and	proposed
Result/Activities   Indicator	a human resources department
Nr. 121 122 123 124	

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intsch, Assistant to the Director General: RP=R Pechmann, Operations Advisor;
A Lentsch. Assistant to the Director General; RP=R Pechmann. Operations Advisor:
L=M Lentsch, Assistant to the Director General: RP=R Pechmann, Operations Advisor:

# **Annex 3.2.2**

Overall Plan of Operations (Form 1.4)



Tacis-TRACECA: Management Assistance and Training for the Development of the Port of Baku

Form 1.4: OVERALL PLAN OF OPERATIONS

Proje	Project Title:				Project N	t No.:					Country:	try:				Page:	
Techi	Technical Assistance for the Development of the Port of Baku Management Assistance and Training	nt of the	Port of	Baku	TELREG	G 9304					Azert	Azerbaijan				Annex 3.1.1	3.1.1
Plann	Planning Period: 01 February 1996 - 28 February 1996	ebruary	, 1996		Prepared	ed on: '	on: 25 March 1996	h 1996			EC C	onsuita	nt: HP1	EC Consultant: HPTI Hamburg Port Training Institute GmbH	Training Instit	ute GmbH	
Proje	Project Objectives: Strengthening the port management in introducing new policies and working methods to cope with the new market oriented environment	ort man	agemen	t in intr	oducing	new pol	icies an	d worki	ng metł	ods to	cope w	th the r	iew mai	rket oriented en	vironment		
No.	MAIN ACTIVITIES	TIME	TIME FRAME											INPUTS			
			1996	96			1997				1998	æ		PERSONNEL	NNEL	EQUIPMENT	отнек
																MATERIAL	
		-	2	3	4	<del>-</del>	2	3	4	Ψ-	2	3	4	EC Consul- tants	Counter- parts		
-	Establish private activities and investment in the Port of Baku	×	XXX	xxx	×									5,8 weeks			
8	Elaborate and assist in implementing port infrastructure investment plan	×	XXX	xxx	×									12,4 weeks	-		
<del>د</del>	Conduct management training and develop a training scheme	×	××	XXX	×									20 weeks			
4	Establish a Freeport in Baku	×	xxx	XXX	×									8,6 weeks			•
ю.	Introduce an appropriate management information system	×	xxx	ххх	×	· · · · · · · · · · · · · · · · · · ·								55,2 weeks			
9	Adjust manpower and equipment to workload	xx	ххх	ххх	××									38 weeks			
												1	TOTAL	140 weeks			

Page: 53

-Inception Report-

# **Annex 3.2.3**

Work Programme (Form 1.6)



Form 1.6. PLAN OF OPERATIONS FOR THE NEXT PERIOD (Work programme)

Proje Assis	Project title: TA for the development of the port of Baku. Management Assistance and Training	t of Baku	. Mana		Project	Project number: TELREG 9304	TELRE	G 9304	:		Country	Country: Azerbaijan	: : : : :		Page	
Planr	Planning period : 01.02.1996 - 28.02.1997		1		Prepare	Prepared on : 01.03.1993	1.03.199	33		<u></u>	EC Const	ıltant : HF	EC Consultant: HPTi Hamburg Port Training Institute GmbH	raining Institute G	Hqm	
Proje	Project objectives: Strengthening of the Ports management in introducir	тападеп	i ent in i	1 ntroducin	g new p	olicies ar	nd worki	ing meth	ods and t	o cope	with the I	ew mark	I ng new policies and working methods and to cope with the new market oriented environment	nent		
							TIME FRAME	ZAME						₹	INPUTS	
							1996 (months)	ionths)					 PER,	PERSONNEL	EQUIPMENT AND MATERIAL	
No	ACTIVITIES	1 Feb.		2 March		3 April		4 May	5	5 June	9	6 July	EC Consultant	Counterpart		
_	Establish private activities and investment in the Port of Baku		×××	xx	××	×××	××	××	×	×××	×	×××				
<del>[</del>	Identify fields for private investment in the port		×	×	××	×	×	××					2,6 weeks			
1.2	Suggest to authorities modification of existing Port legislation for private investment								* *	×			1 week			
1.3	Prepare documentation for negociations with private investors											×	0,6 weeks			

OTHER

Project objectives: Strengthening of the Ports management in introducing new policies and working methods and to cope with the new market oriented environment Planning period : 01.02.1996 - 28.02.1997

	OTHER								
INPUTS	EQUIPMENT AND MATERIAL								
<b>£</b>	PERSONNEL	Counterpart							
:	PERS	EC Consul- tant		0,6 weeks	1,6 weeks	2,8 weeks	3 weeks	0,6 weeks	1 week
			×			××	XX		
		6 July	×			××	××		
			×			×	×		×
		5 June	×			×	×		×
			×××			×	×		×
TIME FRAME	1996 (months)	4 May	×		×			×	×
TIME	1996 (r		XX		×				
		3 April	XX	×	×				
			XX	XX	×				
		2 March	××	××	Š				
:			××	×	×				
		1 Feb.							
		ACTIVITIES	Elaborate and implement port infrastructure investment plan	Identify internationally recognized assessment methods	Identify realistically possible developments for infrastructure	Justify financially infrastructure investments according to internationally recognized methods	Prepare a time-phased plan for major infrastructure projects	Establish an investment coordination unit	Prepare financial documentation for the reconstruction of the ferry terminal
		<u>0</u>	2.	2.1	22	2.3	2.4	2.5	2.6

Projec Assista	Project title: TA for the development of the port of Baku. Management Assistance and Training	t of Bak	u. Mana	agement		t numbei	Project number: TELREG 9304	EG 9304			Country : Azerbaijan	Azerb	aijan			Page :	:
Planni	Planning period : 01.02.1996 - 28.02.1997				Prepared		on : 01.03.1993	85			EC Con	sultant	HPTIH	amburg Port Tra	EC Consultant : HPTI Hamburg Port Training Institute GmbH	mbH	1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1
Projec	Project objectives: Strengthening of the Ports management in introducing new policies and working methods and to cope with the new market oriented environment	nanageı	ment in	introduci	ng new	policies (	and work	ing meth	ods and	to cope	with the	new m	arket ori	ented environm	ent		
							TIME FRAME	RAME							<del>4</del>	INPUTS	
							1996 (months)	onths)						PERSONNEL	ONNEL	EQUIPMENT AND MATERIAL	OTHER
Š	ACTIVITIES	1 Feb.		2 March		3 April		4 May		5 June		6 July		EC Consul-	Counterpart	:	
<u>හ</u>	Conduct management training and develop a training scheme	×	×	XX	×	xxx	xxx	××	××	XX	×××	××	×××				
3.1	Conduct a manpower audit		××	××	×	×××	××	· -				.,,		2 weeks			
3.2	Identify new skills to fulfill the future demands on management		×	×	X	××	×	××	×		<del> </del>	<u> </u>		1,2 weeks			<del></del>
3.3	Design management training programm				×	×	×	×	×	×	××	×	×	1,7 weeks			
3.4	Arrange training locations and related logistic facilities				××	××	×	×				<del>, · - , ·</del>		0,4 weeks			
3.5	Engage management trainers				×	XXX	××	×	×					0,6 weeks			
3.6	Conduct and supervise management training				×	××	×	×	×		· · · ·	····		1 week	-		
3.7	Conclude and fine tune future management training programmes						××	××	××	××	×	×	×	1,2 weeks			-
3.8	Monitor the effect of implementing management training programmes				××	XX	×	××	××	×	×	×	×	0,2 weeks			
3.9	Identify personnel with skills to become me management trainers					XX	×	×	××	×	×	×	×	1 week			<u>-</u>
3.10	Establish budget guidelines for human resources development					XX	×	××	××					1,4 weeks			

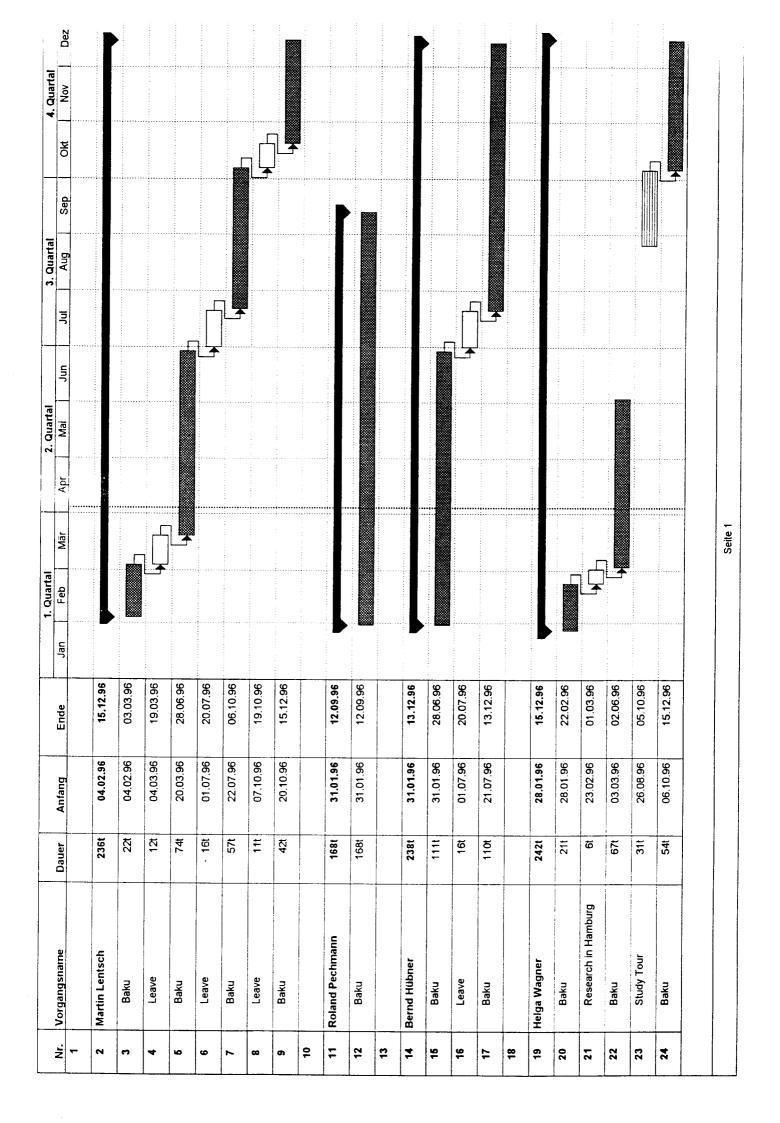
Proje Assist	Project title: TA for the development of the port of Baku. Management Assistance and Training	rt of Bak	u. Mana	gement	Project	Project number: TELREG 9304	TELRE	G 9304		<u> </u>	Country	Country: Azerbaijan	ijan			Page:	
Plann	Planning period : 01.02.1996 - 28.02.1997				Prepared	3d on : 01	on: 01.03.1993	8			EC Cons	ultant	HPTI Ha	mburg Port Tra	EC Consultant : HPTI Hamburg Port Training Institute GmbH	mbH	
Projec	Project objectives: Strengthening of the Ports management in introducing new policies and working methods and to cope with the new market oriented environment	nanager	ment in ii	ntroducir	g new p	olicies ar	nd worki	ng metho	ods and	to cope	with the	пем та	rket orie	inted environm	ent	· The state of the	
							TIME FRAME	AME							Z	INPUTS	
						·	1996 (months)	onths)						PERS	PERSONNEL	EQUIPMENT AND MATERIAI	OTHER
N O	ACTIVITIES	1 Feb.		2 March		3 April	-	4 May	1, 7	5 June		6 July		EC Consul- tant	Counterpart		
4	Establish a freeport in Baku		xxx	XXX	××		××	×	×	×	××	×	×××				-
4 1	Investigate the feasibility of establishing a free port		×	×	××	××	×	×××						2 weeks			
4.2	Design necessary regulations for government approval								×	×		××		1 week			
4.3	Liaise with other government authorities in setting-up procedures						··			×	××	××		0,6 weeks			
4.4	Establish favourable tariffs for clients						<del>"</del>		×	×				2 weeks			
4.5	Prepare proper organisation structure for freeport and operational procedures								* *	×	 × ×	××		1,6 weeks			

Processed of 10 to 1986 - 24 02 1997   Processed of the control of the Ports management in introducing one policide and ovoleng methods and to open with the new market invarient emotorment	Project Assist	t title : TA for the development of the por ance and Training	t of Bak	u. Mana	gement	Projec	t numbe	r : TELF	REG 930	14		Count	ry : Aze	rbaijan				Page:	
Marchane   Personal	Planni	ng period : 01.02.1996 - 28.02.1997		~		Prepa	red on :	01.03.1	993		<del></del>	EC Co	onsultar	it : HPTI	Hamburg Port T	raining Institute G	Hdm		<del></del>
Second   S	Projec	t objectives : Strengthening of the Ports r	manage	ment in i	introduci	ng new	policies	and wo	rking me	thods a	nd to cop	be with the	he new	market o	riented environr	nent			
ACTIVITIES   Pel								TIME	FRAME					·		11	NPUTS		
March   Marc								1996 (	months)	)					PERS	ONNEL	AND		OTHER
Deciding of all free sales appropriate management informations system   Note	No	ACTIVITIES						***************************************								Counterpart			
Section   Content   Cont	5.			xxx				xxx		xxx		xxx		xxx	tant				
Check list of normative de- precisions   Decigin modern computer based with spartnership in the cash coeditions and the based with spartnership in the cash coeditions with the c	5.1	Check list of all fixed assets	ŀ	×××	xxx	xxx	xxx	xxx	xxx	İ					1,8 weeks				
Check list of normative de- processions   Content   Co	5.2	Check evaluation of all fixed assets			xxx	xxx	xxx	xxx	xxx	xxx	Ì				1,4 weeks				
Description   Security information needs of top   Security information needs of top   Security information needs of different departments   Security computer based   Security computer computer based   Security computer computer based   Security computer	5.3	Check stock inventory list	İ				xxx	xxx	xxx	xxx					1,6 weeks		ļ		
Manual Communication media of different information media of	54			xxx	xxx	XXX									0,6 Weeks				
Period departments	5.5							xxx	xxx	xxx	xxx	xxx			2,4 weeks				
2	5.6							xx	xxx	xxx	xxx	xxx			1,8 weeks				
MIS	5.7							xxx	xxx	xxx	xxx	xxx			2,4 weeks				
Section of the section of the current   Section   Sect	5.8	Design modern computer based MIS											xxx	xxx	2 weeks				
Let up all debtors	5.9			xxx	xxx	xxx									1,2 weeks				
List up all debtors	5,10	List up all creditors		xxx	xxx	xxx									0,8 weeks				
Stability   Prepare operational budgets   2000		List up all debtors		xxx	xxx	ххх				l					0,8 weeks				
Elaborate maintenance plan 5.14 Get an overview over tax system 5.15 Review chart of accounts 5.16 Calculate costs and revenues per ship 5.17 Establish required forms for balance sheets and propose improved ones 5.18 Assist in preparation of balance sheets for 1995 5.19 Control the payroll list 5.20 Obtain information on government policy concerning payment schemes 5.21 Analyse the existing payment schemes 5.22 Compare payment system to other payment systems in the transport industry 5.23 Examine job classifications and job groups 5.24 Asses job to ascertain their relative value 5.25 Elaborate and advise on a new payment scheme for the street of the policy concerning advise on a new payment scheme for the street of the policy concerning advise on a new payment scheme for the street of the policy concerning advise on a new payment scheme for the street of the policy concerning advise on a new payment scheme for the street of the payroll data and advise on a new payment for the policy concerning advise on a new payment for the street of the payroll data and advise on a new payment for the payment for the payroll data and advise on a new payment for the payment for the payroll data and advise on a new payment for the payment for the payroll data and advise on a new payment for the payment for the payment for the payment for the payment for the payment for the payment for the payment for the payment payment payment payment for the payment pay		Prepare operational budgets		хоох	xxx	xxx	хох	xxx	xxx	xxx	xxx	xxx	xxx	xxx	1,6 weeks				
Set an overview over tax system Set an overview over tax system Set an overview over tax system Set an overview over tax system Solution Set and revenues per ship Set ability Set and revenues per ship Set ability Set and revenues per ship Set ability Set and revenues per ship Set ability Set and revenues per ship Set ability Set and revenues per ship Set ability Set and revenues per ship Set ability Set and revenues per ship Set ability Set and revenues per ship Set and revenues pe		Elaborate maintenance plan							хох	xxx	xxx	xxx			0,6 weeks				
Solidate costs and revenues per sheets and propose improved ones  Solidate costs and revenues per sheets and propose improved ones  Solidate costs and propose improved ones  Solidate costs and revenues per sheets and propose improved ones  Solidate costs and revenues per sheets for 1935  Solidate costs and revenues per sheets for 1935  Solidate costs and revenues per sheets for 1935  Solidate costs and revenues per sheets for 1935  Solidate costs and revenues per sheets and propose improved ones  Solidate costs and revenues per sheets and propose improved ones  Solidate costs and revenues per sheets and propose improved ones  Solidate costs and revenues per sheets and propose improved ones  Solidate costs and revenues per sheets and propose improved ones  Solidate costs and revenues per sheets and propose improved ones  Solidate costs and revenues per sheets and propose improved ones  Solidate costs and revenues per sheets and propose improved ones  Solidate costs and revenues per sheets and propose improved ones  Solidate costs and revenues per sheets and propose improved ones  Solidate costs and revenues per sheets and propose improved ones  Solidate costs and revenues per sheets and propose improved ones  Solidate costs and revenues per sheets and propose improved ones  Solidate costs and revenues per sheets and propose improved ones  Solidate costs and revenues per sheets and propose improved ones  Solidate costs and revenues per sheets and solidate costs and revenues per sheets and propose improved ones  Solidate costs and revenues per sheets and propose improved ones  Solidate costs and revenues per sheets and solidate costs and revenues per sheets and solidate costs and revenues per sheets and solidate costs and revenues per sheets and solidate costs and revenues per sheets and solidate costs and revenues per sheets and solidate costs and revenues per sheets and solidate costs and	5.14	Get an overview over tax system	ļ	xxx	xxx										1,2 weeks				
Ship  Stabilish required forms for balance sheets and propose improved ones  5.18 Assist in preparation of balance sheets for 1995  Control the payrell list  Dox Dox Dox Dox Dox Dox Dox Dox Dox Dox	5.15	Review chart of accounts		xxx	xxx	хох	xxx	xxx				1			1 week		į		
lance sheets and propose improved ones  5.18 Assist in preparation of balance sheets for 1995  Control the payroll list  XXX  XXX  XXX  XXX  XXX  XXX  XXX	5.16											xxx	xxx	xxx	0,4 weeks				
sheets for 1995  Control the payroll list  XXX XXX XXX XXX XXX XXX XXX XXX XXX	5.17	lance sheets and propose impro-									xxx	xxx	xxx	xxx	0,2 weeks				
5.20 Obtain information on government policy concerning payment schemes  5.21 Analyse the existing payment schemes in depth  5.22 Compare payment systems to other payment systems in the transport industry  5.23 Examine job classifications and job groups  5.24 Assess job to ascertain their relative value  5.25 Elaborate and advise on a new payment scheme  5.26 Prepare written information on government policy concerning payment scheme  5.20 xox xox xox xox xox xox xox xox xox xo	5.18			ххх	xxx	xxx	××	xxx	xxx						1 week				
policy concerning payment schemes  521 Analyse the existing payment schemes in depth  522 Compare payment system to other payment systems in the transport industry  523 Examine job classifications and job groups  524 Assess job to ascertain their relative value  525 Elaborate and advise on a new payment scheme  526 Prepare written information on new	5.19	Control the payroll list		xxx	xxx	xxx	xxx	×××	xxx	xxx	xxx	xxx	xxx	ххх	0,4 weeks				
hes in depth   1,0 weeks   1,0	5.20	policy concerning payment sche-		xxx	xxx	××									1,2 weeks				
Examine job classifications and job groups  5.24 Assess job to ascertain their relative value  5.25 Elaborate and advise on a new payment scheme  5.26 Prepare written information on new  5.37 Assess job to ascertain their relative value  5.38 Assess job to ascertain their relative value  5.39 Examine job classifications and job groups  5.40 Assess job to ascertain their relative value  5.50 Elaborate and advise on a new payment scheme  5.50 Elaborate and information on new  5.50 Prepare written information on new	5.21			xxx	xxx	ххх									1,8 weeks				
Examine job classifications and job groups  5.24 Assess job to ascertain their relative value  5.25 Elaborate and advise on a new payment scheme  5.26 Prepare written information on new  5.27 Elaborate information on new  5.28 Prepare written information on new	5.22	payment systems in the transport		xxx	ххх	жх	xxx	xxx							1 week				
25.25 Elaborate and advise on a new payment scheme 25.26 Prepare written information on new 25.26 Prepare written infor	5.23	Examine job classifications and job							xxx	xxx	xxx	xxx			1,4 weeks				:
ment scheme  5.26 Prepare written information on new  xxx xxx 1,6 weeks	5.24								xxx	xxx	xxx	xxx			1,4 weeks				
Prepare whiten mornation on new	5.25	Elaborate and advise on a new payment scheme									ххх	xxx			1,4 weeks				
	5.26										xxx	xxx			1,6 weeks				

	title: TA for the development of the por ince and Training	t of Bak	u. Mana	gement	Projec	t numbe	r : TELR	EG 930	4		Count	y : Aze	rbaijan				Page:	
Planni	ng period : 01.02.1996 - 28.02.1997				Prepa	red on :	01.03.19	993			EC Co	nsultan	t : HPTI I	lamburg Port Tr	aining Institute G	SmbH		
Projec	objectives: Strengthening of the Ports r	nanage	ment in	introduci	ng new	policies	and wor	king met	thods ar	d to cop	e with the	ne new	market o	riented environn	nent			
		· · · · ·							·····					<del></del>				
								FRAME months)						PERS	ONNEL	EQUIP	MENT	OTHER
							,	,								AND MATER		
No	ACTIVITIES	1 Feb.		2 March		3 April		4 May		5 June		6 July		EC Consul- tant	Counterpart			
6.	Adjust manpower and equipment to		xxx	xxx	xxx	×××	×××	xxx	xxx	xxx						1		
0.	workload		,	1	***	***	***	200	XXX	XXX	×××	xxx	XXX					
6.1	Conduct a condition survey on port facilities and equipment		xxx	xxx	xxx									1,2 weeks				
6.2	Assess operations manpower		xxx	xxx	xxx	xxx	xxx					ĺ		1,4 weeks				
6.3	Design an improved cargo delivery and dispatch system		xxx	xxx	xxx	xxx	xxx							0,6 weeks				
6.4	Advise on efficient berth allocation					xxx	xxx							0,4 weeks				
6.5	Analyse present port performance					xxx	xxx	xxx	xxx	}				0,6 weeks		İ		
6.6	Suggest a flexible gang structure							хх	xxx	xxx				1 week				
6.7	Suggest a modern work organisation						į	ххх	хох	xxx				1 week		ļ		
6.8	Increase efficiency of storage area utilisation											xxx	xxx	0,6 weeks				
6.9	Discuss simplification of customs procedures							xxx	xxx	xxx	xxx	ххх	xxx	1,2 weeks				
6.10	Establish a cargo information procedure with transport operators							xxx	XXX	xxx	xxx	xxx	ххх	1 week				
6.11	Prepare cargo documentation in advance							xxx	xxx	xxx	xxx	xxx	ххх	0,6 weeks				
6.12	Identify relevant traffic for the port		xxx	ххх	xxx	xxx	xxx	xxx						2,6 weeks				
6.13	Develop marketing strategy		xxx	xxx	xxx	xxx	xxx	xxx						2 weeks				
6.14	identify the port's customers		xxx	xxx	xxx	xxx	xxx	xxx						1,4 weeks				:
6.15	dentify needs of port' customers		xxx	xxx	xxx	xxx	xxx	xxx						2,2 weeks				
6.16	Review tariff and pricing policy			1		xxx	xxx	xxx	ххх	xxx	xxx			2 weeks				
6.17	Develop long and medium term plan							xxx	xxx	xxx	xxx	xxx	xxx	1 week				
6.18	Define financial sections requirements for long- and medium term investment planning								xxx	xxx	xxx	xxx		2,2 weeks				
6.19	Establish good communication with outside world		xxx	xxx	xxx	xxx	×××	×××	xxx	xxx	xxx	xxx	xxx	0,4 weeks				
6.20	Contact freight forwarding compa- nies		xxx	xxx	xxx	xxx	хохх	xxx	xxx	xxx	xxx	xxx	xxx	0,8 weeks				
6.21	Ask railway for cargo			xxx	xxx	xxx	xxx							0,8 weeks				
6.22	Negociate with shippers/ consignees and advertise port of Baku					xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	0,6 weeks				
6.23	Suggest cargo owners the best transport routes							хх	xxx	xxx	xxx	xxx	xxx	0,4 weeks				
6.24	Get a list of all departments for defining cost centres		xxx	xxx										1 week				
6.25	Review existing organisational charts of departments			xxx	xxx	xxx	xxx							0,8 weeks				
6.26	Develop a commercial organisational structure for the port of Baku							xxx	xxx	xxx	xxx			3,8 weeks				
6.27	Establish budget guidelines for human resources development							xxx	xxx	xxx				1,4 weeks				
6.28	Design a proper organisational structure for a human resources department							xxx	xxx	xxx				0,8 weeks				
							Ì											

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**Experts Deployment Schedule** 



# Composition of Working Groups

# Group F: Economic, Financial and Accounting Group

Firdovsi ASKEROV Raya GASIMOVA

Ismail GUSEINOV Aliabbas BADALOV

Adil GEIDAROV Mahmut MUTALLIBOV Ramin GURBANOV

Head of the Commercial Department Head of the Economics Department

Chief Accountant **Revisor Accountant** Accountant

Engineer Referent

# **Group O: Operations Group**

Musa MAMEDOV Bairam NAMAZOV Shirindil ALIYEV Rasim ALIYEV Khalledin YUSIFOV

Vahid AMIRASLANOV Shamseddin ABBASOV Aziz GUSEINOV

Head of the Operations Department Deputy Head of the Operations Department

Deputy Head of Ferry Operations Deputy Head of the Apsheron Area Chief Engineer of the Operations Group

Deputy of the Chief Engineer Passenger Operations

**Engineer of Sea Terminal Operations** 

## **Group T: Technical Group**

Sultan KAZIMOV

Adyshirin ASADOV Nazim ARABOV

Djavanshir GASANOV

Teyub AKSEROV

Chief Engineer and Head of the Engineering Department

Head of the Hydro-technical Department

Engineer

Head of the Department for Mechanisation and Design

Engineer

Fedail ABBASOV Leading Engineer

# Group P: Personnel Group

Matyl DJAFOROV Murdjavan DJABBAROV Eödar ZEYNALOV

Head of the Personnel Department

Head of the Educational and Production Complex

Lawyer

Tacis-TRACECA: Management Assistance and Training for the Development of the Port of Baku					
nnex 5					
	Composition of Working Groups				

**Business Field Analysis Programme** 

# **Business Field Analysis - BFA**

Experts	Activities	Dates	Comments
M Lentsch R Pechmann B Hübner	1. BFA - Workshop	28 February	existing business units Revenue/Personnel
B Hübner	Workgroup F	4 March - 2 May	Elaboration of cost distribution sheet DB 1Results-> Workshop 3
local Trainer B Hübner H Wagner	Training for Group F + Chief Eng. & Head of Operations	11 - 15 March	-Cost Accounting -Basic business administration
M Lentsch R Pechmann B Hübner H Wagner	2. BFA - Workshop	5 April	Port users & Port staff -> future business fields
R Pechmann M Lentsch	Workgroups O + T	8 April - 2 May	Planning of new business activities
Trainer Plate H Wagner	Training for Groups O + F, Chief Eng. & Head of Person- nel	4 - 12 April	Marketing and Sales Training
M Lentsch R Pechmann B Hübner H Wagner W Artt	3. BFA - Workshop	10 May	Development of organisation structure for existing and new business fields
M Lentsch R Pechmann H Wagner	Workgroups O + P + T + F	10 May - 30 June	detailed organisations planning
Trainer Artt H Wagner	Training key management staff (O,P,F,t)	13 - 17 May	Management Training