



Technical Assistance for the  
Development of the Port of Baku  
*3<sup>rd</sup>* **Project Progress Report**  
01 July 1997

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# Project Progress Report No. 3 - Cover Page

Project Title :	Technical Assistance for the Development of the Port of Baku	
	<ul style="list-style-type: none"><li>• Management Assistance and Training</li><li>• Port Master Plan Study (Addendum)</li></ul>	
Project Number:	TELREG 9304	
Country:	Azerbaijan	
	Local Operator	EC Consultant
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Date of report : 01 July 1997

Reporting period : 30 March 1997 - 30 June 1997  
Project Progress Report

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# 1. Project Synopsis

Project title:	Technical Assistance for the development of the Port of Baku Management Assistance and Training Port Master Plan Study
Project Number:	TELREG 9304
Country:	Azerbaijan

## Project objectives:

Support the management of the Baku Sea Port in the transition to the market economy by strengthening the management in introducing new policies and working methods to cope with the new challenges resulting from the market oriented environment. The project includes the implementation of modern financial management system to analyse all investments for short, medium and long term periods, advise on modern port operations, and management training. With the addendum for the Port Master Plan Study, a long term development plan will be elaborated for the Port, initial investments will be identified in order to enable the port to carry on operations and facilitate the port for future cargo handling requirements. A feasibility study based on a detailed traffic forecast shall be the base for international funding of the port rehabilitation, which is envisaged by the European Bank

## Planned outputs:

- Establishment of private activities and involvement in investments in the Port of Baku
- Main investments for necessary infrastructure and the reconstruction of the Port and their financing are defined
- The management of the Port is able to work in market economic conditions
- A frame work for the establishment of a Freeport in Baku is developed
- An appropriate Management Information System is implemented at the Port
- The Port works to capacity, needs for changes of manpower, organisation and equipment of the Port is identified and recommended.
- A Port Master Plan including a feasibility study for the initial investment needs as well as necessary tender documents are elaborated

## Project activities:

- Identify fields for private involvement in the Port
- Elaborate and implement a port infrastructure plan
- Conduct management training and develop a training scheme
- Prepare necessary framework for establishing a Freeport in Baku
- Introduce an appropriate Management Information System
- Elaborate a Port Master Plan Study
- Identify initial investment needs and carry out a feasibility study
- Prepare tender documents for the rehabilitation project

Project start: 26 November 1995  
Project duration: 22 months  
Extension 2 months

## 2. Summary of the Project Progress

This project period was characterised by the elaboration of the Phase 2 and Phase 3 reports of the Port Master Plan Study.

The Phase 2 report, containing

- Definition of the functional requirements of the developed port
- A physical Master Plan for the port
- A phased development plan
- An assessment of the environmental impacts of the proposed developments
- Recommendations of improvement in the management structure and system
- An economic and financial analysis of the recommended developments
- A review of possible options for the introduction of private investment,

was submitted at the end of December 1996.

The Phase 3 Report was submitted in March 1997 and dealt, in addition to a fine-tuned version of the above described topics, with the following aspects:

- Preliminary design and specifications of principle components of the 1st phase of the recommended developments
- Assessment of the credit worthiness of the Port of Baku.

The comments on the two reports of the EBRD and of the Port of Baku have been considered and integrated into the reports.

Furthermore, a study tour for port engineers to West European ports had been conducted in April 1997.

Concerning the initial management and assistance project, the following project progress was achieved:

In the field of Marketing:

- A marketing concept was developed and first steps to promote the port of Baku to the outside world have been taken
- the Port Director attended an international conference in Vienna as a speaker, promoting TRACECA and the Port of Baku
- the Operations Director and the Commercial Director attended the Oil and Gas exhibition in Baku and made valuable presentations of the port and contacts with potential clients
- the Commercial Director developed an advertising flyer, presenting the facilities and services of the port.

The new organisations structure, developed by the consultants, has been widely discussed among port management staff. Formal consultations and informal discussions with the consultants have been held to elaborate in-depth the implications and consequences of the changes. The new organisational structure was implemented in June this year.

The computer based Management Information System as well as the new accounting system have been introduced and first steps to make use of the new systems have been taken.

### 3. Summary of the Project Planning for the Remainder of the Project

The completed Phase 3 Report of the Port Master Plan gave rise to a lot of discussions within the port and also with the EBRD.

The EBRD requested additional review time, which was granted. As after Phase 3 a „break point“ was foreseen, meaning that it would have been possible to end the project after this phase, this additional review time meant that the work could not be continued during this period.

The elaborations with the Bank, but also the opinion forming process within the Bank, as well as the decision making process on a higher political level locally continued well into the fourth phase. The last final decisions on details of the port layout, the utilities and other planning matters are due to be made as late as in July. This means that some of the tender documents, especially the design work for civil works and construction and the associated technical drawings, cannot be finalised on time.

Also, some other small items could not be finalised as planned, as the responsible senior staff members of the port were extremely busy with other matters concerning the rehabilitation project so that contributions from them have not been forthcoming, yet.

Therefore, the consultants decided to apply for an extension of the project period of two months.

The Phase 4 report will be the engineering designs and specifications for the tender documents for construction works of the first step of the recommended development. Other specifications and tender documents that have to be completed on request of the Task Manager earlier as planned will be attached. The report will also contain the amended text of the Phase 3 Report, with all the comments and suggestions of the Port of Baku and of the European Bank and the latest decision taken duly considered.

## 4. Project Progress

### 4.1 Establish Private Activities in the Port of Baku

In the course of the project numerous actions have been taken in order to promote private involvement in the Port of Baku. Actual private activities on an operational basis could not yet be established in the port, as the political and legal framework for such step is still under consideration.

Contacts with several international companies have been established. The port has been presented as a major potential for warehousing and distribution activities as well as a place with good cargo handling facilities. Various fields for private investments have been identified and the consultants have together with the port discussed these possibilities with potential investors and clients. In particular, the following activities have been identified and discussed:

- Private warehousing activities: a model contract and tariffs for warehousing have been elaborated and negotiations with prospective clients are taking place
- Establishment of a Diesel transfer terminal at the timber terminal: contract drafts have been prepared and discussed and first negotiations taken place
- Establishment of a Logistics and Distribution Centre: the idea of developing such a centre in the Port of Baku is actively pursued by the port operations and commercial managers; a visit to a similar facility in Primorsk has given the idea added emphasis
- Establishment of a container yard and a Container Freight Station: Since more containerised cargo is expected to arrive in Baku in future, services connected with container handling and cargo distribution are regarded as realistic prospects for future activities. The port management has actively developed this idea and, together with the consultants, established first contacts in this respect.
- Creation of an independent container terminal: In the medium term it is anticipated that the container handling facility of the port will become an independent unit. The new organisational structure already allows for a dedicated container department next to the operations department. This unit shall become commercially and later legally independent, with private participation beside the port.
- Dedicated bulk handling facilities: An oil major has shown interest in obtaining a concession for the handling bulk sulphur in the timber terminal. The consultants have discussed this request with port management and advised on the necessary investigative measures to be taken before serious negotiations can start.

In addition to the above mentioned activities, the consultants have together with the port management taken further action to promote the port to potential investors and clients. The General Director has participated as a speaker in an international Trade and Transport Conference organised by the Adam Smith Institute in Vienna in March 1997. Participation in another conference is planned for autumn 1997 in Istanbul. Furthermore, the Oil and Gas Exhibition in Baku has been visited and several contacts with international operating companies could be initiated and established. Also, presentations to and negotiations with local companies concerning the rendering of port services on the local market have taken place. At the moment a port marketing folder is under preparation. The consultants have been actively involved in the above activities, given advice and assistance on these occasions, supplying background information and acting as coaches.

In the privatisation programme of Azerbaijan there are plans to privatise the port within the next years. The port has actively been involved in these discussions and made several written and verbal presentations on this matter, especially concerning the legal side of port business.

A maritime law, regulating the maritime sector, is presently being elaborated in Azerbaijan. The port has submitted a framework draft, prepared by the consultants, on this matter to higher authority and conducted a seminar with an EU expert for government officials' participation.

## 4.2 Elaborate and Implement Port Infrastructure Investment Plan

Within the current contract „Technical Assistance for the Development of the Port of Baku“ the outline of a Port Master Plan was due to be developed.

The work done until summer last year has been integrated into the much more elaborate Port Master Plan that commenced last autumn. Detailed phased investment planning for the next fifteen years for all port facilities with the exception of the Ferry Terminal has been made within this Port Master Plan study. The work for the Port Master Plan is structured into four phases, including a report on each phase. So far, the reports on phases one to three have been submitted and currently phase four is in progress. The report on phase 2 has been submitted in English in mid December 1996 and the Russian translation in the first week of January 1997. The phase 3 report, which is the draft final report of the Port Master Plan Study, has been submitted simultaneously in English and Russian on 26 March 1997. The phase 4 report was originally due in mid-September 1997, with the extension requested it will come due in the second half of November.

From the beginning of the study, the consultants have closely co-operated with all the different parties involved in this project, especially with the experts of the port itself and of local institutions, but also with the experts of the EBRD and with the Tacis consultants of the company Ramboll, who take care of the planning of the ferry facilities. The close co-operation with the Ramboll consultants has avoided double work within the development project and ensured a co-ordinated approach concerning future investments.

Potential investments have been identified and financially justified (cp. 4.7).

## 4.3 Conduct Management Training and Develop a Training Scheme

In accordance with the terms of reference of the project addendum, that is, the port master plan study, a second study tour to European ports for port engineers has taken place. The objectives of this study tour were to acquaint the participants on the one hand with west European port planning procedures and with state-of-the-art construction methods and on the other hand with modern maintenance and repair organisations, procedures and facilities. The main aim was to let the participants get an actual feeling for the prevailing real-life situations in the visited ports, rather than increasing only their knowledge. The lecturers on this study tour were mainly practitioners, thus the participants had the opportunity share experiences and to exchange opinion and information with them. (See annex study tour report.)

## 4.4 Establish a Freeport in Baku

A framework study concerning the legal requirements, the organisational set-up, the functions and the service potential of a free port has been elaborated very early in the project. For internal reasons the study was only included in the phase 2 report of the port master plan study. After having investigated the feasibility of



a free port in Baku port, the study supported its establishment. Based on the study results, the port of Baku applied to government for the permission to establish a free port.

In order to familiarise official institutions in Baku with the idea and the concept of a free port, and to support the Port's application, the consultants arranged on short notice and additionally to their contract terms several training workshops and sessions on the subject with an EU free port expert. Participants were next to the port management staff, representatives of the national transport department and of the Cabinet of Ministers. As no final decision has been taken yet by the relevant authorities on the Port's application concerning the establishment of a Free Port, further concrete steps in this matter have not been taken so far.

## 4.5 Introduce an Appropriate Management Information System

In this area considerable progress has been achieved. The results of the following individual activities

- Review and improve assets management
- Review and improve cash management
- Develop a budget management concept
- Review existing accounting system and advise on improved one

have been reported in the Project Progress Report of 30 November 1996.

Furthermore, a first concept for a computer based MIS has been developed by the consultants and submitted to the port. The steps necessary for the implementation of this concept, like selection and installation of bookkeeping and accounting software and the development of a computerisation system, have been taken and implementation has started.

Due to the fact that the proposed new commercial organisation structure of the port has been accepted and came into force in June, the accounting system with its cost and profit centre structure is now being fine-tuned to real requirements.

## 4.6 Adjust Manpower and Equipment to Workload

The operations procedures as well as the existing equipment and port facilities have been thoroughly assessed and analysed in the course of the technical assistance and training project. Performance has been analysed and proposals on flexible gang structures and work organisation elaborated and discussed in work groups with the operations managers.

During the last 15 months the port management has considerably changed its attitude towards commercially oriented port policy and work. In the Business Field Analysis, which has been carried together with the port management, as well as in the traffic forecast elaborated within the port master plan study the potential traffic and the port customers have been identified. The commercial department of the port has, together with the economic and the operations departments and with the assistance of the consultants, developed a marketing strategy for the port of Baku. During several workshops and seminars the principles of port marketing have been defined and on this basis first steps towards the implementation of marketing measures have been taken, e.g. a flyer, presenting the port services has been designed and printed, potential customers have been actively approached, services that can be offered have been identified, ect.

Additionally, the consultants carried out missions to the ports of Poti and Batumi in Georgia as well as to Turkmenbashi and Ashgabat in Turkmenistan in order to assess the possibilities of co-operation between the ports and to identify mutual interests. This communication with other ports has been taken up by the port management and continued.

The consultants have established some co-ordination with the pilot train project of the TEWET team, in order to ensure that the interests of the port of Baku are represented in that project. The port has participated a pre-foundation and participation meeting in Tbilisi, where a new Pilot train company was to be established. Thus, a co-ordinated approach of the ports of Poti and Baku, as the two terminal points of the Pilot train, towards the railways was started.

Also, the tariff policy of the port has been reviewed and new tariffs have been introduced by the port.

In summer 1996, the consultants proposed a new commercially-based organisational set-up for the port of Baku, with a clear cost and profit centre structure, including the definition of responsibilities of the individual managers. This scheme has been widely discussed within the port management and with the consultants during the last months, in order to reach understanding for the suggested changes and their implications, and to come to an agreement on the new organisation. Finally, in June 1997, the decision to implement this new structure has been taken by the port director. Currently, the port is in the process of implementing the new organisation.

#### 4.7 Port Master Plan is Elaborated

All planned results of the first three phases of the study could be achieved within the planned time frame. The phase 1 report contained an in-depth analysis of the current situation of the port, including the assessment of existing facilities and equipment, conditions of the port infrastructure and the operations procedures. Also, a preliminary traffic forecast was elaborated.

In the phase 2 report a physical port master plan together with a phased development plan of new investments was elaborated. The planned development was then analysed concerning the environmental impact of the investments and also concerning their economic and financial viability. During this phase the traffic forecast was reviewed with regard to the latest developments in the economy and in the transport sector and the scenario development was further fine-tuned. Additionally, a new organisational structure of the port of Baku, which had been developed by the consultants in the course of the „Technical Assistance and Training“ project was further discussed with the port management and adjusted to the specific needs of the port in view of the future development plans.

Phase 3 report contained the detailed port master plan with preliminary designs and detailed planning of the future investments. Furthermore, a final detailed appraisal of the financial and economical situation of the port and the future economic potential was carried out. The outcome of the traffic forecast and the analysis of the economic developments showed that the handling of containerised cargoes has the highest money earning potential for the port of Baku. This assessment is reflected in the port master plan and the proposed phased investments.

During the ongoing phase 4 of the port master plan studies, tender documents for construction and rehabilitation of infrastructure and port facilities as well as for supply of equipment are being elaborated. As the port concept and the proposed investments have been re-adjusted several times since the preparation of the phase 3 report, some of the analytical work in the financial and economic areas has to be re-done.

## 5 Project Planning for the next Period

### 5.1 Development of the Port of Baku - Management Assistance and Training

All activities in this part of the project have been finalised and no further manpower input is required and planned.

### 5.2 Port Master Plan Study

The time schedule for this part of the project has been amended. Due to the unforeseen workload which occurred in connection with the justification of a loan from the European Bank and due to the long time it took to receive final decisions for the port layout and the proposed investments from the side of Azerbaijan and from the Bank, the consultants asked for an extension of the project period. The project will now be completed in November 1997 with the phase 4 report.

The purpose of phase 4 is to elaborate tender documents for international competitive bidding for the civil construction works and the equipment supply financed by loan.

The documents will be prepared in accordance with EBRD Procurement Rules and Policies and the construction contracts will also be based on EBRD or World Bank standard documents.

After submission of these tender documents the work of the HPTI consultants will be completed. As the tendering work will not start before the beginning of next year and as HPTI's contract ends in November this year, assistance in tendering and procurement cannot be given by the consultants. At a meeting at the EBRD, which was also attended by a TRACECA representative, it was decided that HPTI within their project will prepare the legal and contractual documentation for the entire EBRD loan, while Ramboll, who have a project duration until the first quarter of next year, will be responsible for assisting the bank in inviting contractors, selecting contractors and placing contracts.

Tables

Form 2.3

Form 2.4

Form 1.6

## Form 2.3: Resource Utilisation Report

Technical Assistance for the Development of Baku Port, Management Assistance and Training Port Master Planning		Project number : TELREG 9304	Country : Azerbaijan	Page: 2.3 / 1	
Planning Period : 11/1996 - 07/1997		Prepared on: 1 July 1997	EC Consultant: HPTI Hamburg Port Training Institute GmbH	Form23p3.doc	
Support the Management of the Baku Port in the transition to the market economy, by strengthening the management in introducing new policies and working methods to cope with the new challenges resulting from the new market oriented environment					
RESOURCES/INPUTS	TOTAL PLANNED	PERIOD PLANNED	PERIOD RE-ALISED	TOTAL RE-ALISED	AVAILABLE FOR REMAINDER
<b>PERSONNEL</b>					
Assistant to the General Director	12 work months	4,68 work months	4,68 work months	12 work months	-
Assistant to the Financial Director	11 work months	3,18 work months	3,18 work months	11 work months	-
Assistant to the Port Operations Director	6 work months	-	-	6,0 work months	-
Management Training Advisor	6 work months	0,91 work months	0,91 work months	6 work months	-
Project Director	3 work months	0,32	0,32	2,27 work months	0,73 work months
Workshop Moderator	0,23 work months	-	-	0,23 work months	-
Training Lecturers (Foreign Experts)	1,27 work months	0,36	0,36	1,27 work months	-
<b>Total</b>	<b>39.5 work months</b>	<b>9.45 work months</b>	<b>9.45 work months</b>	<b>38.77 work months</b>	<b>0.73 work months</b>
<b>EQUIPMENT AND MATERIAL</b>					
Personnel Computers	3	0	0	3	-
Printer	2	0	0	2	-
Overhead Projector	1	0	0	1	-
Flip Chart	1	0	0	1	-
Workshop Boards	6	0	0	6	-
Workshop Material	1 set	0	0	1 set	-
Copying-machine	1	0	0	1	-

## Form 2.3: Resource Utilisation Report

Technical Assistance for the Development of Baku Port, Management Assistance and Training Port Master Planning (Addendum)		Project number : TELREG 9304	Country : Azerbaijan	Page: 2.3 / 2	
Planning Period : 11/1996 -07/1997		Prepared on: 01 July 1997	EC Consultant: HPTI Hamburg Port Training Institute GmbH		
Support the Management of the Baku Port in the transition to the market economy, by strengthening the management in introducing new policies and working methods to cope with the new challenges resulting from the new market oriented environment					
RESOURCES/INPUTS	TOTAL PLANNED	PERIOD PLANNED	PERIOD REALISED	TOTAL REALISED	AVAILABLE FOR REMAINDER
<b>LOCAL PERSONNEL</b>					
Team Secretary	13 work months	4,0 work months	4,0 work months	13 work months	-
Interpreter for Ass. to the Financial Director	12 work months	3,82 work months	3,82 work months	12 work months	-
Interpreter for Ass. to the Port Operations Director	6 work months	-	-	6,0 work months	-
Driver 1	12 work months	3,0 work months	3,0 work months	12 work months	-
Driver 2	12 work months	3,0 work months	3,0 work months	12 work months	-
Lecturers Local Experts	0,41 work months	-	-	0,41 work months	-
<b>Total</b>	<b>55,41 work months</b>	<b>13,82 work months</b>	<b>13,82 work months</b>	<b>55,41 work months</b>	<b>-</b>
<b>EXPENSES</b>					
Visa for Experts + Trainees	13	-	-	13	-
Telecommunication	770	188	188	770	-
Office Consumable	16	5	5	16	-
Hire Meeting Room	1	-	-	1	-
<b>Study Tour to European Ports</b>					
Training Expert	1,09 work months	-	-	1,09 work months	-
Air Tickets for Trainees	5	-	-	5	-

## Form 2.3: Resource Utilisation Report (Addendum)

Technical Assistance for the Development of Baku Port, Management Assistance and Training Port Master Planning (Addendum)		Project number : TELREG 9304	Country : Azerbaijan	Page: 2.3 /	
Planning Period : 11/1996 - 07/1997		Prepared on: 1 July 1997	EC Consultant: HPTI Hamburg Port Training Institute GmbH	Form23p5.doc	
Support the Management of the Baku Port in the transition to the market economy, by strengthening the management in introducing new policies and working methods to cope with the new challenges resulting from the new market oriented environment Development of a Port Master Plan					
RESOURCES/INPUTS	TOTAL PLANNED	PERIOD PLANNED	PERIOD RE-ALISED	TOTAL RE-ALISED	AVAILABLE FOR REMAIN- DER
<b>PERSONNEL</b>					
Port Planner	100 work days	50 work days	61 work days	91 work days	9 work days
Port and Shipping Economist	45 work days	14 work days	14 work days	39 work days	6 work days
Transport Economist	30 work days	10 work days	10 work days	30 work days	-
Operations Expert	30 work days	18 work days	18 work days	30 work days	-
Equipment Expert	60 work days	21 work days	21 work days	35 work days	25 work days
Environmental Expert	50 work days	20 work days	20 work days	40 work days	10 work days
Financial Expert	40 work days	40 work days	40 work days	40 work days	-
Project Finance Expert	20 work days	20 work days	20 work days	20 work days	-
Utilities Engineer	30 work days	30 work days	9 work days	9 work days	21 work days
Port Design Engineer	220 work days	105 work days	105 work days	120 work days	100 work days
Team Management, Backstopping and Reporting	155 work days	60 work days	77 work days	107 work days	48 work days
Interpreters	625 work days	380 work days	354 work days	466 work days	159 work days
Secretary	220 work days	137 work days	137 work days	192 work days	28 work days
Drivers	220 work days	137 work days	137 work days	192 work days	28 work days
<b>Total</b>	<b>1845 work days</b>	<b>1042 work days</b>	<b>1023 work days</b>	<b>1411 work days</b>	<b>434 work days</b>

## Form 2.3: Resource Utilisation Report

Technical Assistance for the Development of Baku Port, Management Assistance and Training Port Master Planning (Addendum)		Project number : TELREG 9304	Country : Azerbaijan	Page: 2.3 / 4	
Planning Period : 8/1996 - 10/1996		Prepared on: 6 November 1996	EC Consultant: HPTI Hamburg Port Training Institute GmbH	Form23p6.doc	
Support the Management of the Baku Port in the transition to the market economy, by strengthening the management in introducing new policies and working methods to cope with the new challenges resulting from the new market-oriented environment					
RESOURCES/INPUTS	TOTAL PLANNED	PERIOD PLANNED	PERIOD REAL-ISED	TOTAL REAL-ISED	AVAILABLE FOR REMAINDER
<b>EXPENSES</b>					
Visa	10	3	3	10	-
Communication	345	132	132	268	77
Office Consumable	11	7	7	8,5	1
<b>Study Tour to European Ports</b>	1,5 work months	1,5 work months	1,5 work months	1.5 work months	-
Training Expert	8	8	7	7	1
Air Tickets fore Trainees					



## FORM 2.4. OUTPUT PERFORMANCE REPORT

Project title : Technical Assistance for the Development of the Port of Baku, Management Assistance and Training		Project nr : TELREG-9304	Country : Azerbaijan	Page :
Prepared on : 01 July 1997 EC Consultant: HPTI Hamburg Port Training Institute GmbH				
Output results	Deviation original plan + or - %	Reason for deviation	Comment on constrains & assumptions	
1. Establish private activities / investment in the Port of Baku		Privatisation is at this stage not of prime concern to the Port and the Authorities. The port is part of the privatisation programme of Azerbaijan, but decisions towards this have not been taken yet.	Activities have been concluded as far as possible under the prevailing circumstances. Further steps depend on the Government's decision concerning privatisation	
2.1 Elaborate and implement port infrastructure investment plan	0 %	no deviation	The infrastructure investment plan as part of the port master plan for the main complex of the port has been completed and agreed with all relevant authorities. No funds are presently available for investments.	
2.2 Port Master Plan Study	0 %	no deviation	The port master plan for the main complex of the port has been completed and agreed with all relevant authorities. The work on the master plan has been closely co-ordinated with the development plan for the ferry terminal	
3. Conduct management training and develop a training scheme	0 %	no deviation	All planned training activities and study tours have been conducted and a training concept has been elaborated and submitted to the port	
4. Establish a Free Port in Baku	0 %	no deviation	A framework study containing the legal requirements, the functions and the proposed set-up of a free port has been carried out, submitted and discussed. A policy workshop has been conducted.	
5. Introduce and appropriate MIS	0 %	no deviation	After the acceptance of the new organisational structure of the port the implementation has started	
6. Adjust manpower and equipment to workload	0 %	no deviation		

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

Project title : Technical Assistance to the Port of Baku - Management Assistance and Training		Project number : TELREG 9304		Country : Azerbaijan		Page :			
Planning period : 01 July 1997 - 26 November 1997		Prepared on : 01 July 1997		EC Consultant : HPTI Hamburg Port Training Institute GmbH					
Project objectives : Support the management of the Port of Baku in the transition to the market economy by strengthening the management in introducing new policies and working methods to cope with the new challenges resulting from the new market oriented environment									
No	ACTIVITIES	TIME FRAME 1997 (months)				INPUTS			
		July	Aug	Sep	Oct	Nov	PERSONNEL	EQUIPMENT AND MATERIAL	OTHER
1	Establish private activities in the port of Baku						EC Consultant	Counterpart	
2.1	Elaborate and implement port infrastructure investment plan								
2.2	Port Master Plan Study	xxxx	xxxx	xxxx	xxxx		171 days		
3	Conduct manpower training and develop a training scheme								
4	Establish a free port in Baku								
5	Introduce an appropriate management information system								
6	Adjust manpower and equipment to workload								
7	Report Preparation	xx			xxxx		48 days		
TOTAL									

Annexes

Project Activities Plan

Report on Study Tour for Port Engineers

Comments on Phase 3 Report

## Project Activities Plan

N°	Activity	Project Result
1.1	Identify fields for private involvement in the port	<ul style="list-style-type: none"> <li>• Private warehousing activities</li> <li>• Container handling as a field for private involvement</li> <li>• Operation of a Container Freight Station</li> <li>• Establishment of a Diesel transfer station</li> </ul>
1.2	Suggest to authorities modification to existing port legislation for private investment	<ul style="list-style-type: none"> <li>• Assistance to the General Director in formulation of request for permission for private investment</li> <li>• Maritime Law for Azerbaijan</li> <li>• Suggestion on a foundation of a Maritime Administration for Azerbaijan</li> <li>• Proposal to apply the UN Code for Terminal Operators</li> </ul>
1.3	Legal framework for private investment is agreed by authorities	<ul style="list-style-type: none"> <li>• Port is to be privatised within the next years according to Azerbaijan legislation</li> <li>• Maritime Law for Azerbaijan is elaborated</li> </ul>
1.4	Prepare documentation for negotiations with private investors	Contract for warehousing activities of private freight forwarders in the port has been prepared and discussed
1.5	Promote attraction of private investment locally and internationally actively	<ul style="list-style-type: none"> <li>• Participation of the consultants and the Director of the port as speakers at a transport conference in Vienna in March</li> <li>• Participation at a transport conference in Istanbul is planned for October</li> <li>• Presentations of the port to the local business community have been done</li> <li>• Visit of the Oil and Gas Exhibition in Baku</li> <li>• Assistance in preparation of a PR campaign and of advertising material has been given</li> </ul>
<b>2.</b>	<b>Elaborate and implement port infrastructure investment plan</b>	<b>Port Master Plan</b>
2.1	Identify internationally recognised assessment methods	Assessment methods for the feasibility study have been selected, discussed with the port and applied
2.2	Identify realistically possible developments for infrastructure	A phased investment plan has been elaborated and agreed upon
2.3	Justify financially infrastructure investments according to internationally recognised methods	Feasibility calculations for investments have been carried out within the port master plan study
2.4	Prepare a time phased plan for major investments	Phased investment plans have been elaborated within the port master plan
2.5	Establish an investment project co-ordination unit	ToR for a project co-ordination unit have been prepared in March 1997, including a definition of participants. The EBRD will set up the Unit at the beginning of next year

N°	Activity	Project Result
2.6	Prepare documents for negotiations with funding institutions	The port master plan study is a document, required by banks and other funding institutions
2.7	Assist in securing investment funds	<ul style="list-style-type: none"> <li>• The reports of Phase1 to Phase 3 of the port master plan has been submitted to the European Bank</li> <li>• Several mission of the Bank to Baku have been prepared and assisted</li> <li>• Meetings in London have been attended</li> </ul>
3.	<b>Conduct Management Training and Develop a Training Scheme</b>	<b>Management Training has been conducted according to programme. A training scheme has been proposed.</b>
3.1	Port management is acquainted with management skills required in market economy	Last training workshop has been conducted
3.2	Conduct a manpower audit	Manpower Audit is evaluated
3.3	Identify new skills to fulfil the future demands on management	New skills especially in the field of general management and international trade have been identified and discussed in several meetings with the decision makers
3.4	Design management training programmes	Training programmes have been conducted
3.5	Arrange training locations and related logistic facilities	Training room of port safety department is available and appropriate for training
3.6	Engage management trainers	Different trainers have been employed in order to conduct management training
3.7	Conduct and supervise management training sessions	Supervision continuously done
3.8	Conclude and fine-tune future management training programmes	Demand for future training is defined The training concept is designed and submitted
3.9	Monitor the effect of implementing management training programmes	Practical application of knowledge gained in training courses is monitored and coached. The results are included in the training concept
3.10	Identify personnel with skills to become management trainers	Fields for internal training have been identified and defined in the training concept, in-house training primarily to be done by department heads
3.11	Design management training programmes of in-house trainers	No dedicated in-house trainers have yet been nominated
3.12	Train in-house trainers	No dedicated in-house trainers have yet been nominated
3.13	Develop a scheme of permanent training and formation	Training concept is elaborated and submitted
3.14	Establish a training budget	Budget guidelines for training have been designed and included into the training concept
4.	<b>Establish a Free Port in Baku</b>	<b>The final decision of Azerbaijan authorities concerning the establishment of a free port has not been taken yet</b>
4.1	Investigate the feasibility of establishing a free port	A study on establishment of a free port, including the feasibility, has been carried out and a proposal on a free port submitted.

N°	Activity	Project Result
4.2	Assist the port in designing necessary regulations for government approval	Draft regulations have been designed
4.3	Liase with other government authorities in setting-up procedures	<ul style="list-style-type: none"> <li>Port has applied at Cabinet of Ministers with a proposal for establishment of a Freeport</li> <li>Workshops with an EU Freeport Expert have been conducted with the participation of representatives of the Transport Department and the Cabinet of Ministers</li> </ul>
4.4	Establish favourable tariffs for clients	Freeport is not yet established
4.5	Prepare proper organisation structure for Freeport and operational procedures	<ul style="list-style-type: none"> <li>A new port organisation structure has been proposed and is since June 1997 in the process of being implemented</li> <li>A proposal for a structure of a Freeport is part of the Freeport study</li> </ul>
4.7	Promulgate Freeport to clients	
5.	<b>Introduce an appropriate Management Information System</b>	<b>Management Information System is workable by the end of the project</b>
5.1	Review and improve assets management	An equipment and facilities survey has been conducted
5.1.1	Check list of all fixed assets	List is compiled, cp. Phase 1 Report, Vol. III
5.1.2	Check the evaluation of all assets	Evaluation of assets has been checked
5.1.3	Check the stock inventory list	Stock inventory has been surveyed
5.1.4	Check the list of normative depreciation	List is checked, amendments advised
5.2	Develop a concept for a computer based Management Information System	
5.2.1	Identify information needs of top management	Needs are identified. Bookkeeping and accounting software has been selected and installed
5.2.2	Identify information needs of the different departments	Information needs are identified and the necessary training has been prepared
5.2.3	Identify computer needs of the individual departments	A computerisation concept has been developed
5.2.4	Design modern computer based MIS	The concept for computer based MIS has been designed and submitted
5.3	Review and improve cash management	
5.3.1	Review the cash conditions and the forms used	Cash conditions are reviewed
5.3.2	List up all creditors	List of creditors is completed
5.3.3	List of debtors	List of debtors is completed
5.3.4	Suggest way of avoiding defaulting and non-paying clients	Clear criteria for a payment scheme for port services are proposed
5.3.5	Proposed an efficient payment and invoice control system	<ul style="list-style-type: none"> <li>A payment and invoice control system has been proposed</li> <li>Since Jan. 1997 detailed invoices are being produced for port customers</li> </ul>
5.3.6	Check daily liquidity	Formalised control of daily liquidity has been proposed
5.3.7	Manage the currency accounts	A formalised system has been proposed

N°	Activity	Project Result
5.3.8	Monitor daily financial status	A formalised system has been proposed
5.4	Develop a budget management concept	
5.4.1	Prepare operational budgets	The budgets for 1996 are assessed
5.4.2	Prepare concepts for medium term concepts	Budgets are prepared 2 months after finalisation of investment plan
5.4.3	Continuously follow up budgets	Formalised system to follow up budgets is established
5.4.4	Get an overview on tax system	The tax system has been reviewed
5.5	Review existing accounting system and advise on improved one	
5.5.1	Review chart of accounts	Chart of accounts has been reviewed and discussed
5.5.2	Split up costs in fixed and variable costs	Cost split has been explained to port
5.5.3	Implement a computer based accounting system	System for control of costs and revenues has been proposed and is being implemented
5.5.4	Establish required forms for balance sheets and propose improved ones	Balance sheets have been reviewed and found to be in accordance with Azerbaijan law
5.5.5	Assist in preparation of balance sheets for 1995	Balance sheets in accordance with modern book-keeping have been proposed
5.5.6	Assist in compiling three-quarterly balances for tax purposes	Assistance has continuously been given
5.5.7	Assist in preparation of balance sheets for 1996	Balance sheets in accordance with modern book-keeping have been proposed
5.6	Review existing Payment Scheme and advise on introduction of improved scheme	
5.6.1	Control the payroll list	The payroll list is controlled and updated by every middle of month
5.6.2	Obtain information on government policy regarding payment schemes	Information on government policy has been obtained
5.6.3	Analyse the existing payment schemes in-depth	The analysis has been completed
5.6.4	Compare payment system to other payment systems in the transport industry	The payment systems have been compared
5.6.5	Examine job classifications and job groups	Job classifications and groups have been examined and discussed
5.6.6	Assess jobs to ascertain their relative worth	Jobs have been assessed
5.6.7	Elaborate and advise on a new payment scheme	A new payment scheme has been discussed, decisions about it postponed, due to the delicate financial position of the port
5.6.8	Prepare written information on new scheme	Official actions postponed
5.6.9	Prepare and organise events on the proposed scheme	Official actions postponed
5.6.10	Design training programmes on the new scheme	Official actions postponed
5.6.11	Train decision makers and staff in the implementation of the new scheme	Official actions postponed
6.	<b>Adjust Manpower and Equipment to Workload</b>	

N°	Activity	Project Result
6.1	Review and update operational procedures	Operational procedures have been evaluated and a manual has been completed
6.1.1	Conduct a condition survey on port facilities and equipment	A condition survey on port facilities and equipment has been conducted and documented (cp. Phase 1 report, Vol. III, Annex)
6.1.2	Assess operations manpower	Operations manpower status report has been submitted in April 1996
6.1.3	Design an improved cargo delivery and dispatch system	Improved system has been elaborated in work groups together with operations personnel
6.1.4	Advise on efficient berth allocation	Presently the berth allocation is satisfactory For future operations berth allocation is proposed (cp. Port Master Plan)
6.1.5	Analyse present port performance	Port performance has continuously been analysed. There is no unnecessary delay and waiting time due to port performance
6.1.6	Develop performance indicators	Existing norms have been reviewed, improvements suggested
6.1.7	Suggest a flexible gang structure	A proposal has been submitted
6.1.8	Suggest a modern work organisation	A proposal has been submitted
6.1.9	Increase efficiency of storage area utilisation	A cargo allocation system has been proposed. For future port development cp. Port Master Plan
6.2	Review external influence factors on operations procedures	
6.2.1	Discuss simplification of customs procedures	Procedures have been reviewed and discussed. (See also Trade Facilitation Project)
6.2.2	Establish a cargo information procedure with transport operators	Current procedures are sufficient for current cargo operations. In future a cargo documentation and operations computer system should be implemented.
6.2.3	Prepare cargo documentation in advance	Current procedures are sufficient for current cargo operations. In future a cargo documentation and operations computer system should be implemented.
6.3	Develop a commercial policy	
6.3.1	Identify relevant traffic for the port	<ul style="list-style-type: none"> <li>• A traffic forecast has been elaborated (cp. Port Master Plan, Vol. II)</li> <li>• In a Business Field Analysis, carried out in workshops together with the port management, relevant traffic has been identified</li> </ul>
6.3.2	Develop marketing strategy	<ul style="list-style-type: none"> <li>• Business Field Analysis is concluded.</li> <li>• A strategy workshop based on the traffic forecast has been conducted</li> <li>• Marketing strategy has been developed in seminars and workshops</li> </ul>
6.3.3	Identify port customers	<ul style="list-style-type: none"> <li>• Business Field Analysis has been concluded</li> <li>• Workshops on port activities and customers have been conducted</li> <li>• A marketing concept has been elaborated</li> <li>•</li> </ul>



N°	Activity	Project Result
6.3.4	Identify the needs of the port customers	<ul style="list-style-type: none"> <li>• Business Field Analysis has been concluded</li> <li>• Workshops on port activities and customers have been conducted</li> <li>• A marketing concept has been elaborated</li> </ul>
6.3.5	Review of tariff and pricing policy	New tariff and guidelines for pricing proposed
6.3.6	Develop long- and medium term plan	<p>A concept for medium and long term has been submitted</p> <p>See also Port Master Plan, Vol. II</p>
6.3.7	Define financial sections requirements for long- and medium term investment plan	Concept for medium and long term investments has been submitted (cp. Port Master Plan)
6.3.8	Incorporate government's planning guidelines into long- and short term plans	Concept for medium and long term investments has been submitted
6.3.9	Establish good communication with outside world	<ul style="list-style-type: none"> <li>• Freight and transport conference in Vienna, March 1997, has been attended</li> <li>• Missions to Poti and Batumi and to Turkmenbashi</li> <li>• Visit of the Oil and Gas Exhibition in Baku</li> </ul>
6.3.10	Contact freight forwarding companies	Regular meetings
6.3.11	Ask the railway for cargo	<ul style="list-style-type: none"> <li>• Co-operation possibilities with the railway have been assessed</li> <li>• Active participation of the Port in the Pilot Train (TEWET project) has been initiated</li> </ul>
6.3.12	Negotiate with shippers / consignees and advertise Port of Baku	<ul style="list-style-type: none"> <li>• New contracts with cargo owners are concluded</li> <li>• Port marketing department takes active steps to negotiate with potential clients</li> </ul>
6.3.13	Suggest cargo owners the best transport routes	<ul style="list-style-type: none"> <li>• Transport routes for different cargoes have been evaluated (cp. Port Master Plan)</li> <li>• First promotion campaign has been carried out</li> </ul>
6.4	Assist in developing a modern organisation structure of the Port of Baku	New organisation scheme for the Port has been elaborated, proposed, discussed and is currently being implemented
6.4.1	Get a list of all departments for defining cost centres	List is compiled
6.4.2	Review existing organisational charts of departments	The available material has been reviewed
6.4.3	Develop a commercial organisational structure for the Port of Baku	Organisational structure has been proposed and is currently being implemented (since June 1997)
6.4.4	Establish budget guidelines for human resources department	The training concept includes budget guidelines
6.4.5	Design a proper organisational structure for a human resources department	New organisational structure for the department is included in the general new organisational scheme
7.	<b>Port Master Plan is elaborated according to the Terms of Reference</b>	
7.1	Elaborate Phase 1 Report of Port Master Plan	Report was elaborated and submitted Sep. 1996
7.1.1	Traffic Forecast is elaborated	Forecast was presented as part of Phase 1 Report (Vol. II)
7.1.2	Unit transport costs have been estimated	Results presented as part of Phase 1 Report (Vol. II)

N°	Activity	Project Result
7.1.3	Carry out assessment of present port facilities and operations	Results presented in Phase 1 Report, partly Vol. III, partly annex
7.1.4	Collect data for environmental assessment and conduct „scoping“ meeting	Preliminary environmental assessment is part of Phase 1 Report, Vol. V. Scoping meeting: Annex
7.2	Elaborate Phase 2 Report of the Port Master Plan	Report was elaborated and submitted Dec. 1996
7.2.1	Define functional requirements of the developed port	Results are presented in Vol. III of the Phase 2 Report
7.2.2	Prepare physical Master Plan for the port	Proposed port layout and handling facilities are presented in Phase 2 Report
7.2.3	Prepare a phased development plan	Results are presented in Phase 2 Report
7.2.4	Prepare an environmental assessment	Results are presented in Phase 2 Report, Vol. V
7.2.5	Recommend improvement in management structure and system	Improvements have been recommended together with the new organisational structure. Responsibilities of the department and section heads have been defined and discussed.
7.2.6	Analyse economically and financially recommended developments	Results are presented in Phase 2 Report, Vol. VI
7.2.7	Review possible options for introduction of private investment	Results are presented in Phase 2 Report, Vol. III
7.3	Elaborate Phase 3 Report of the Port Master Plan	Report was elaborated and submitted March 1997
7.3.1	Preliminary design and specify principle components of the 1 phase of the recommended developments	Results are presented in Phase 3 Report, Vol. III + Vol. IV
7.3.2	Assess Port of Baku credit worthiness	Results are presented in detail in Phase 3 Report, Vol. VI
7.4	Elaborate Phase 4 Report of the Port Master Plan	Report will be elaborated and submitted Oct. 1997
7.4.1	Prepare tender documents for construction and supply	Construction tender documents will be included in Phase 4 Report Supply tender documents have been finalised and submitted to the EU
7.5	Assist the Port of Baku in tendering	Tendering phase will take place several months after the contract of HPTI has finished



Technical Assistance for the Development of the Port of Baku  
Management Assistance and Training

## Seminar Report

**Title:** European Ports Study Tour  
on Port Planning, Engineering and Rehabilitation

**Date:** 15 April - 09 May 1997

**Venue:** Europe (Germany, Netherlands, Belgium)

**Lecturer:** Ms. Helga Wagner/ Port Managers of Different European Ports

**Participants:**

Soltan Kyazymov	Chief Engineer
Adyshirin Asadov	Head of Hydro-Technological Department
Nazim Arabov	Hydrotechnical and Mechanical Engineer
Djavanshir Gasanov	Head of Dep. for Mechanisation and Design
Gasanaga Aliev	Head of Mechanical Workshops
Rasim Aliev	Head of Apsheron Oil Terminal
Aidyn Kerimov	Interpreter

### Subjects:

Visit to the ports of Hamburg, Rotterdam, Ghent, Duisburg, Puttgarden and Rostock

- Port Planning, Construction and Building - Strategies and Concepts of different Ports and Terminals
- Technical Facilities, Handling Equipment and Maintenance and Repair Procedures
- Port planning and development
- Cargo Handling Terminals and Operations Concepts
- Visit to and Explanation of specialised terminals
- Organisational Set-ups of Ports

### Comments:

The study tour was conducted in order to acquaint the participants with commercially oriented organisation structures and efficient working procedures. And thus, to improve the understanding of the requirements for a commercially working port and its organisation in the new market oriented economic environment.

The seminar evaluation showed, that the participants highly appreciated the opportunity to familiarise themselves personally with strategic port planning, construction and maintenance of port facilities and equipment of Western ports. They especially considered it very valuable to have the possibility to discuss problems and questions with managers in charge in the different ports and see the working procedures with their own eyes.

Since the participants generally possess a sound technical knowledge the most important aspect of the seminar was not only to demonstrate technology but rather to demonstrate the organisation of work and the management procedures. The main outcome of the course was to make the participants aware of the importance of personal responsibility for the results of work in any hierarchical level, which implies also the necessity of the individual employee to take initiative for improvements and more efficient work, as well as to stress the importance of clear and efficient organisation and management structures.

Since for most of the participants is has been the first time that they had the opportunity to visit ports abroad, this seminar has helped considerably to find a "common language" between the consultants, working in the port of Baku and the port management.

Development of the Port of Baku  
Management Assistance and Training, Port Master Plan Study

COMMENTS TO THE PHASE III DRAFT FINAL REPORT

No.	Vol. Page	Comment	From	Date	Resp.	Date
1.	Vol. 3	CFS operation, Warehousing is not considered, Manpower, equipment and operational description needs to be incorporated.	ML	March 97	Bie	30 Apr. 97
2.	Vol. 3 Vol. 4 Vol. 6	RoRo Ramp is needed for the Container and truck traffic across the Caspian Sea, planning for this RoRo ramp is needed.	Marc Graille	6 Apr. 97	Bie Haecon D. Moe	30 Apr. 97
3.	Vol. 6	Cost Separation for the Main Quay wall, between Container Terminal and General Cargo Operation to be reviewed.	ML	March 97	D. Moe	30 Apr. 97
4.	Vol I page 4 prh 5	We do not agree	Port	8 Apr. 97	ML	30 Apr. 97
5.	Vol I page 14	The capacity of 6 berths is calculated at 4.21 mil.t/year – the equipment capacity also was increased unrealy	Port	8 Apr. 97	Bie	30 Apr. 97
6.	Vol I page 17, 7.1, prh 1	There's no fendering system at the main complex	Port	8 Apr. 97	ML	30 Apr. 97
7.	Vol I prh 4	At the Oil Terminal the southern breakwater belongs to the port and northern - to SOCAR  The jetties #2 and #5 are not abandoned	Port	8 Apr. 97	ML	30 Apr. 97
8.	Vol I 7.2, prh 3	We do not agree (it reduces port's capacity)	Port	8 Apr. 97	CvE ML	30 Apr. 97
9.	Vol I page 18, prh 3	The amount of 14310797 USD is not corresp. to 19,935 000 USD on page 8	Port	8 Apr. 97	ML	30 Apr. 97
10.	Vol. 2, page 5, prh 3, last point	There weren't daily ferries to Bekdash	Port	8 Apr. 97	ML	30 Apr. 97
11.	Vol. 2 prh 4	CSC has only 2 ferries out of Caspian sea	Port	8 Apr. 97	ML	30 Apr. 97

No.	Vol. Page	Comment	From	Date	Resp.	Date
12.	Vol. 2 page 7 prh 4	Shangashaz is not correct. Should be Sangachaly	Port	8 Apr. 97	ML	30 Apr. 97
13.	Vol. 2 pg 8, 3.3 prh 2	Djulfa is not occupied by Armenia. We propose to write down as "railway blocade"	Port	8 Apr. 97	ML	30 Apr. 97
14.	Vol. 2 pg 10, prh 1	It should be Olia instead of Alia, and we do not agree with 1 <sup>st</sup> prh in 3.4	Port	8 Apr. 97	ML	30 Apr. 97
15.	Vol. 2 pg. 20, 5.4	There's no conflict between Armenia and Nakhichevan. There is a conflict with Nagorno-Karabakh	Port	8 Apr. 97	ML	30 Apr. 97
16.	Vol. 2 pg. 32 5.7.1	There was indicated development trend for most likely scenario with a probability of more than 50%, while under the optimistic scenario an average cargo growth of between 10 -12%/y is expected (page 36)	Port	8 Apr. 97	D. Moe	30 Apr. 97
17.	Vol. 2 pg.52, table 6.2	Cargoes handled in first two months of 1997 show that contracts assesment, indicated in table 6.1 cannot be as 1512,5 t	Port	8 Apr. 97	D. Moe	30 Apr. 97
18.	Vol. 2 pg.53 6.2 prh 3	There's a contract for container handling and it is implementing at the moment	Port	8 Apr. 97	D. Moe	30 Apr. 97
19.	Vol 3 Part B, 2	Port specialists have designed their own structure	Port	8 Apr. 97	ML Bie	30 Apr. 97
20.	Vol 3 2.2	It is proposed to scrap 4 instead of 6 gantries, because 2 cranes could be reconditioned by the Port	Port	8 Apr. 97	Bie	30 Apr. 97
21.	Vol 3 Part A, pg. 1	There's no need to involve foreign specialist for workshop management training	Port	8 Apr. 97	Hub ML	30 Apr. 97
22.	Vol 3 Part B, ch. 2	The design office and industrial - engineer dept. wasn't taken into account in the structure	Port	8 Apr. 97	MI Bie	30 Apr. 97
23.	Vol 3 pg. 15 3.1.2	The proposal to leave 9 cranes is not correct because it is necessary to have 15 cranes in order to provide production line.	Port	8 Apr. 97	Bie	30 Apr. 97
24.	Vol 3 pg. 16	To indicate a measurement unit in table C-4	Port	8 Apr. 97	ML	30 Apr. 97
25.	Vol 3 pg.21 prh 2	Better to keep 2 <sup>nd</sup> line cranes	Port	8 Apr. 97	Bie	30 Apr. 97
26.	Vol 3 pg. 34	Recommendations. 9 cranes should not be scrapped	Port	8 Apr. 97	Bie	30 Apr. 97

No.	Vol. Page	Comment	From	Date	Resp.	Date
27.	Vol 3 pg. 45 table D-10	Spare parts costs with amount of 404250 USD are not sufficient	Port	8 Apr. 97	Hub ML	30 Apr. 97
28.	Vol 3	Table Section pg.1 Table D-3 Crane #29 shouldn't be scrapped	Port	8 Apr. 97	Hub	30 Apr. 97
29.	Vol 3 Annex 1	Present Port Operations The cargo turnover for 1996 in table 2-1 is not correct	Port	8 Apr. 97	ML	30 Apr. 97
30.	Vol 3 Annex	Chapter 3 2.2 pg. 7 Channel length - 4600 m	Port	8 Apr. 97	ML	30 Apr. 97
31.	Vol 3	Annex table 2-4 Service berth belongs to SOCAR	Port	8 Apr. 97	ML	30 Apr. 97
32.	Vol 3	Annex pg. 8 2.2.4 There are fax and telex units in the Port	Port	8 Apr. 97	Bie ML	30 Apr. 97
33.	Vol 3	Annex pg. 8 2.2.5 prh.2 Not correct	Port	8 Apr. 97	ML	30 Apr. 97
34.	Vol 3	Annex pg.10 prh.5 Railway track is 1524 mm	Port	8 Apr. 97	ML	30 Apr. 97
35.	Vol 3 Annex pg.16	Doker of Class 1 is considered as the highest experienced	Port	8 Apr. 97	Bie ML	30 Apr. 97
36.	Vol 3 Annex pg.20 2.3.9	prh. 5 about container handling equipment is not correct	Port	8 Apr. 97	Bie	30 Apr. 97
37.	Vol 4 pg.3 2.1.6	Water supply not only for Turkmenbashi, but also for other places in Turkmenistan and for "Oil Rocks" Main Office	Port	8 Apr. 97	CvE ML	30 Apr. 97
38.	Vol 4 pg. 4, 2.2 prh.2	First berth's length is 113,6 m. instead of mentioned 97 m, and berths ##2 and 3 have 236 m instead of 256 m.	Port	8 Apr. 97	CvE	30 Apr. 97
39.	Vol 4 pg. 5, 2.3 prh 2	The Northern breakwater belongs to Oil Company	Port	8 Apr. 97	CvE	30 Apr. 97
40.	Vol 4 pg. 7, 3.1.1 prh 2	Fendering seems to be breaking units	Port	8 Apr. 97	CvE	30 Apr. 97
41.	Vol 4 pg.16, Ch. 7	3 gas-powered boilers are not sufficient and should be scrapped	Port	8 Apr. 97	CvE	30 Apr. 97
42.	Vol 4 pg.19, 8.1.4	Level issue requires an agreement form Academy of Sciences	Port	8 Apr. 97	CvE	30 Apr. 97

No.	Vol. Page	Comment	From	Date	Resp.	Date
43.	Vol 4 pg. 24, 8.2	It is foreseen to rehabilitate 3 quays and remaining 4 to use as shore protection. But at the same time we forecast cargo turnover of 3,4 mil.t/year for 6 berths. That's not correct. It is necessary to renew all of main complex berths.	Port	8 Apr. 97	CvE	30 Apr. 97
44.	Vol 4 pg. 24, 8.3	During berth renewal and rails installation it should be agreed with State railways Authority. The rehabilitation of tool workshop and substantiation #7 is not indicated in the Master Plan	Port	8 Apr. 97	CvE	30 Apr. 97
45.	Vol 4 pg. 29, 8.6	Electricity, separate list of comments	Port	8 Apr. 97	CvE	30 Apr. 97
46.	"_" pg.30, 8.6.1	Substantion #7 should not be taken out	Port	8 Apr. 97	CvE	30 Apr. 97
47.	Annex 2	The hydrological, climatic and geological data on Turkmenbashi Port should be taken off from the Report	Port	8 Apr. 97	CvE	30 Apr. 97
48.	Vol V, pg. 5 5.3, prh. 3	The sewage water tank at the timber terminal is out of work because of sea level, however, water tank at the sea station is functioning	Port	8 Apr. 97	TE	30 Apr. 97
49.	Vol V prh.6	The dues in the Port are upgrading permanently, including ecology due	Port	8 Apr. 97	TE	30 Apr. 97
50.	Vol VI pg.2, 2.1, prh. 1	The valuation of the fixed assets of the port was 22,9 mil. USD instead of mentioned 2,8 mil. USD. The assets assesment was made with the rate indication according to Cabinet of Ministers Decree.	Port	8 Apr. 97	D. Moe	30 Apr. 97
51.	Vol VI prh.2	There's no base to say about overdue accounts as per September 30, 1996	Port	8 Apr. 97	D. Moe	30 Apr. 97
52.	Vol VI prh.3	There's necessity to explanation	Port	8 Apr. 97	D. Moe	30 Apr. 97
53.	Vol VI pg. 14, 4.3.3	Profit tax is assesed at a rate of 32% instead of 35% (according to the changes made to "Law on Profit Tax")	Port	8 Apr. 97	D. Moe	30 Apr. 97
54.	Vol VI pg.22, 6.1.1	149 mil. USD and 339 mil. USD, 1,6 billion and 1,1 billion USD - probably mistake	Port	8 Apr. 97	D. Moe	30 Apr. 97
55.	Vol VI 6.1.2	Shall be concretised	Port	8 Apr. 97	D. Moe	30 Apr. 97
56.	Vol. 2 1.	Main Comment 1. Regardless to existing contracts cargo forecast for 1997 and further cannot be really confirmed.	Port	8 Apr. 97	D. Moe	30 Apr. 97
57.	Vol. 6	Main Comment 2. The Loan's pay-back mechanism is not	Port	8 Apr. 97	D. Moe	30 Apr. 97

No.	Vol. Page	Comment	From	Date	Resp.	Date
		concrete mentioned				
58.	Vol. 6 9, 10	Table 3 and 4 to be revised, figures for the gate have changed	ML	8 Apr. 97	D. Moe ML	30 Apr. 97
59.	Vol. 3 30	Add cost information in Table C-11	EBRD	8 Apr. 97	ML	30 Apr. 97
60.	Vol. 1	Add detailed Cost Summary to Vol.1	ML	8 Apr. 97	ML	30 Apr. 97
61.	Vol. 6 Tables	Split the EBRD Loan and instalments as well as the interest payments into the different loans e.g. Loan 1, Loan 2, Loan 3, Loan 4	Port / Raya	8 Apr. 97	D.Moe	30 Apr. 97



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