

Feasibility Study of New
Terminal Facilities in the
Georgian Ports

Inception Report

15 October 1997

REPORT COVER PAGE

Project Title	: Feasibility Study of New Terminal Facilities in the Georgian Ports	
Project Number :	TNREG 9603	
Country:	Georgia	
	Local operator	EC Consultant
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Date of report : 15 October 1997
 Reporting period : Inception Report
 Author of report : HPTI-Dornier-RMG Team Poti and Batumi

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1. Project Synopsis

Project Title:	Feasibility Study of New Terminal Facilities in the Georgian Ports
Project Number:	TNREG 9603
Country:	Georgia
Project starting date:	17 July 1997 (effective date of the contract)
Project duration :	12 months (from the effective date of the contract)
Wider Objectives :	
To foster the development of modern cargo terminals in the Georgian ports which enable them to provide full port services in order to attract trade from the Traceca hinterland and elsewhere and to promote regular, reliable shipping links between the Traceca countries and the world markets.	
Specific Project Objectives :	
<p>- Long term recommendations for the development of the ports of Poti and Batumi, taking into account the development of traffic on the Trans-European Network routes and with special regard to the development of container traffic.</p> <p>- Elaboration of a feasibility study of the Port of Poti and the Port of Batumi with recommendations of investments in specialised facilities in each port, taking into account the economic advantages of specific facilities for each port and also the national economic interest of Georgia.</p>	
Planned outputs :	
<p>1. Phase</p> <ul style="list-style-type: none"> • Review of the existing facilities and conditions in the ports of Poti and Batumi • Elaboration of a traffic forecast for both ports • Investigation in the establishment of cotton handling and storage facilities in one port • Outline definition of the future requirements of the ports • Preparation of an environmental assessment <p>2. Phase</p> <ul style="list-style-type: none"> • Preparation of a physical port master plan for each port • Elaboration of a phased investment plan • Development of a financial and economic analysis of the ports • Assessment of the organisation and the management structure <p>3. Phase</p> <ul style="list-style-type: none"> • Preparation of preliminary designs and outline specifications for the identified selected developments • Advice on tariffs, fees and rental charges <p>4. Phase</p> <ul style="list-style-type: none"> • Detailed design of the proposed first phase developments • Production of tender documents • Advice on and assistance in tendering, bid evaluation and contracting/purchasing procedures 	

Planned activities:

Phase 1

0. Conduct traffic potential study for rail ferry terminal and prepare tender documents
1. Review Trade, Shipping and Ports in the Black Sea
2. Elaborate Improved Traffic Forecast.
3. Identify Containerisation and Unitisation Potentials
4. Recommend Transport Connections and Opportunities and Investigate the Most Viable Route Connections between TRACECA and the TEN
5. Review the Present Facilities under Civil Engineering Aspects
6. Review the Present Facilities under Railway Engineering Aspects
7. Review the Present Facilities under Mechanical Engineering Aspects
8. Assess the Structure of the Organisation and the Capability of Staff
9. Give Commentaries on Financial Reporting Procedures
10. Make Proposals for the Development of Cotton Storage Facilities
11. Define the Functional Requirements of the Port
12. Collect Data for the Preparation of an Outline for an Environmental Assessment

Phase 2

1. Prepare Master Plans for the two Ports
2. Specify a Phased Development Plan
3. Prepare Cash Flow Forecasts for the priority Investments
4. Perform Economic and Financial Analysis of the Recommended Development
5. Recommend Improvements in management structures and systems
6. Improve Port Marketing
7. Assess Possible Options to Introduce and Facilitate the Entry of Private Investment in Parts of the Envisaged Port Infrastructure Development
8. Analyse Certain Factors in the Port Environment
9. Prepare an Environmental Impact Assessment of the Developments in the Ports and of Subsequent Operations

Phase 3

1. Prepare Preliminary Engineering Designs and Outline Specifications for the Principal Components of the first Phase of Recommended Development
2. Prepare Preliminary Engineering Designs for Equipment Rehabilitation and Outline Specifications for New Cargo Handling Equipment
3. Assess the Beneficiary's credit worthiness for a possible Bank loan and of possible other project finance arrangements by private investors
4. Propose an Efficient Organisational Structure as well as Training Programmes
5. Prepare Legal documentation for private investments by concessions
6. Should the preceding work indicate the need and opportunity for a private sector investor and recommend his selection by tender process, the Consultant will prepare tender documentation for the selection of a private partner and assist in tender process finalisation

Phase 4

1. Prepare Tender Documents for the Development Project
2. Give Assistance in Procurement

2. Analysis of Project

2.1 Relevant Project Context

Takis - Traceca has decided to assist in the rehabilitation, reconstruction, up-grading and, if feasible and viable, in the extension of the facilities in the Georgian ports of Poti and Batumi.

In line with the relevant Terms of Reference and the offer of the HPTI-Dornier-RMG Consortium the purpose of the project is as follows:

- to plan the medium-term development of the ports
- to emphasise the development of container handling facilities
- to identify constrains on traffic between Europe and the Traceca region and to define remedies to lift such constrains
- to analyse future needs of accessibility
- to propose measures to adapt the ports to accommodate cotton trade
- to carry out the study in Poti and Batumi simultaneously
- to report to and advise the Georgian Ministry of Transport if one of the Georgian ports has major economic advantages in certain fields above the other port
- to observe national interests whilst defining the specialisation on such facilities

The Team Leader and the Project Co-ordinator departed from Germany to Tbilisi on 4 August. After co-ordinating meetings with Takis representatives in Tbilisi they proceeded to Poti where they arrived on 6 August. The other experts followed in course of the month of August; an earlier start was not possible, as a greater number of the counterparts in the ports were still on summer vacation.

The port managements of Poti and Batumi provided suitable offices with furniture for the consultants immediately.

2.2 Main Difficulties and Deficiencies

The feasibility study is expected to deal with the dramatic changes in the Georgian ports since the break-up of the Former Soviet Union.

These are in particular

- the dramatic decline in cargo throughput
- the substantial changes in the cargo flow patterns

- the substantial changes in goods handling requirements
- the change from national entry-ports to international gateway-ports

The project further tackles the possible future cargo flows in and out by undertaking a comprehensive traffic forecast which will simulate future scenarios based on existing data. These data will be extracted from previously conducted studies and current data from the Black Sea region and the Traceca Corridor as far as available.

2.3 Situation of the Ports

The ports of Poti and Batumi still struggle to come to terms with the profound changes that occurred in the wake of the break-up of the former Soviet Union. The volume of cargo handled declined from about 12 million tonnes to as little as 2.4 million tonnes annually. The handling characteristics changed from totally bulk (100%) to a cargo mix dominated by containers, the cargo flow direction changed from nearly entirely inbound (95%) to import and export traffic, the land transport system changed from solely railway-based transport (99%) to road and rail transport, and the ports' function changed from a national (Soviet Union) entry port to an international transit port.

The economically and politically difficult years after independence left their mark on the ports, too. The port infrastructure, the rail systems, the sheds and building, the roadways and storage areas, the floating crafts as well as the cargo handling equipment are in a very advanced stage of disrepair and will not allow productivity figures as before, should the cargo volume increase considerably again.

On the administrative side, the uncertainties or irritations over the question of the supervising authority and the distribution of power seem to have settled, at least in general, allowing the ports to concentrate more on their primary tasks. The change of directorship in Poti, coupled with the unfortunate death of the former port director, left its mark, but the port's new director and the management team have swiftly and ably continued the previous work.

The ports are now under heavy pressure to commercialise and privatise operations and several interested parties are waiting impatiently to take over lucrative parts of the ports. On the other hand, the necessary legal and administrative procedures as well as a policy decision making process have not been concluded, yet.

The ports have started some renovation work that appears to have a motivating effect on the staff, but the major problem connected with unreliable energy supply, especially electrical power, has still to be solved as its interrupting effect on all types of work and operations influences performance and efficiency in a negative way.

At present, the port of Poti experiences severe congestion, especially for container vessels. Vessels have to wait several days before being able to berth, which prompted the shipping lines to place a congestion surcharge on Poti cargo. The reason for this congestion is not so much a lack of berth space, rather, the total

inadequacy of the existing cargo handling equipment for the new trade. The port has only very few cranes of the right capacity to handle full containers and nearly no equipment for horizontal movement of containers. Also, the storage area is congested by overdue containers that are not being removed by their consignees.

Also, many smaller and larger problems or questions arise daily, where the Consultant's advice and assistance is being sought by Port Management or the Ministry in Tbilisi. For instance, one particular firm, that is interesting in taking over part of the port of Poti, secured earlier on an agreement at some very favourable terms, which prove now to be very disadvantageous for the port and disastrous for the entire shipping and port community as well as for the Traceca route. Here, considerable input from the team was required to assist the port and the Ministry.

2.4 Target Groups of the Project

The nominal target groups of this project are the Ministry of Transport and its newly created arm, responsible for the maritime field, the "Georgian Maritime Administration", as well as the port managements of Poti and Batumi.

The primary target groups are the senior staff members of the two port administrations and the port experts in the Ministry. In order to reach the objectives of the project and to produce the envisaged results it is imperative to maintain very close working relationships with the members of these groups.

This working relationship must include

- intensive exchange of ideas
- exchange of background information covering geographical, economical, social and political aspects
- transfer of information to the consultants about
 - projects under execution (GTZ, USAID projects)
 - projects under realisation or at the definition stage (SeaLand, Grain Terminal)
 - projects under planning (existing port development plans)

Another target group are the existing and potential future customers of the ports. Members of this group will be interviewed and the findings incorporated into the development planning process.

2.5 Commitments of the Ports

A project like this can only succeed if all persons involved in it and effected by its results „own“ the project. To achieve this the Consultants adopted a three-pronged approach:

- to conduct intensive project planning workshops at the beginning of the work and an result-presentation workshop at the end of phase 3

- to perform the major part of the work on location, to maintain close cooperation with local counterparts and to establish topic-specific workshops, were the Consultant's and the ports' experts meet and discuss topics under consideration
- to execute study tours to European ports for three groups of decision makers to give them an introduction and first-hand experience about conditions and practices in EU ports.

Workshops

A major activity of Phase 1 of the project was to conduct project planning workshops according to the LogFrame methodology. These meetings were planned for a duration of two days in each of the two ports.

Following the sad demise of the former General Director of the port of Poti, Mr. Valeri Gegidze, these LogFrame meetings could not be carried out as per intended itinerary. In order to ensure full participation of the port management, the time for the workshops had to be shortened. Despite these extreme impediments the meetings produced some very positive results:

- in the course of the meetings the management staff of Poti and Batumi ports identified themselves with the project and its objectives
- the port management staff of both ports delivered valuable input by defining their ports' strengths and weaknesses as well as ways and means to reach desired goals for the future
- the result of the workshops was a work plan for the project, agreed by the port management of both ports
- one of the main points, which was clarified during those meetings, was the changed position of the ports in an highly competitive environment in the Black Sea region.

(cp. Annex)

During these meetings and in this context, the awareness of senior port management staff could be raised that the ports would have to deliver effective, customer friendly and good value-for-money services, in order to attract the desired volumes of cargo for the Tacis-Traceca route and the Georgian hinterland.

After the workshops in the two ports a meeting was arranged in the Ministry of Transport in Tbilisi, where the workshop results and the agreed project work plan were presented. More than 20 high ranking representatives of the Ministry of Transport and the Tacis Unit attended the workshop meeting. In the course of the meeting a lively discussion emanated, which reflected on the problems of how to adjust the ports to the changed economic conditions.

Cooperation

Generally, the success of a project like this depends very much on the cooperation between the local management staff involved and the expert team. Since the start of the project, a friendly and constructive cooperation between the experts and the port management staff has been established.

Both port managements have agreed to cooperate fully and without any reservations with the consultancy team in order to arrive at joint conclusions for the developments of *their* port. The Consultant's experts are therefore working very closely with their counterparts and other persons nominated by the ports for certain tasks.

So far, the information derived through these channels have proved to be very useful. Major information items that are vital to the project are presently being sought, they concern productivity and performance data as well as information on financial processing procedures and relevant activities. At present, it is not known to what extent this information will be available. It has been agreed that all material received will be mutually shared between the experts of Traceca, GTZ and USAID.

Both-ports have already drawn up plans for the future development of their respective ports. These plans will be studied and evaluated in the light of the findings of the conducted traffic forecast. As these plans seem to be based on assumptions and methodologies different from the ones employed under market economic conditions, extensive discussions and explanations are foreseen in the course of the project work.

Study Tours

There are three study tours to European ports foreseen in the project. During the project planning exercise agreement was reached with the ports and the Ministry of Transport on the timing of the tours and on the participants. The first tour is planned for the beginning of October.

3. Project Planning

3.1 Co-ordination with other Projects

This project has many linkages with the other projects of the Tacis-Traceca programme and also with projects of other assistance programmes, which must be given due regard when proceeding with the project work.

As some relevant and detailed study work has already been performed, the Consultant will consider the results of the following studies that are relevant to the current project:

- Port of Poti - Development and Freight Tariff Reorganisation in Georgia; Rogge Marine Consulting GmbH, July 1993 (Tacis financed)
- Optimising and Reorganisation Study for the Ports of Poti and Batumi; HPC Hamburg Port Consulting GmbH, April 1996 (GTZ financed)
- Studies of the Romanian and Bulgarian Ports of the Balkan Region and the Rhine - Main - Danube Corridor (PHARE financed)
- Regional Traffic Database and Forecasting Model; WS Atkins Consulting Ltd, May 1997 (Tacis-Traceca financed)
- Technical and Economical Subsidisation for the Reconstruction of the Seaport Poti, Georgi Project , 1994 (Ministry of Transport Georgia financed)
- Technical Assistance for the Development of the Port of Baku, Management Assistance and Training, and Port Master Planning, HPTI-UNICONSULT-RECON Consortium, July 1997 (Tacis-Traceca financed)
- Infrastructure Maintenance 1 - Railways Pre-Investment Study and Pilot Train Baku - Tbilisi - Batumi/Poti; TEWET/DE-Consult, May 1997 (Tacis-Traceca financed)
- Joint Venture(s) for the Caucasian Railways; TEWET/DE-Consult, April 1997 (Tacis-Traceca financed)
- Forwarding - Multimodal Transport Systems on the Traceca Route; BCEOM, May 1997 (Tacis-Traceca financed)
- Trade Facilitation, Customs Procedures & Freight Forwarding Project; Scott Wilson Kirkpatrick, (no date) and Uzbekistan Cotton Extension; May 1997 (Tacis-Traceca financed)
- Study on Black Sea Secondary Ports; UNICONSULT, February 1997 (Tacis financed)
- Improvement to Port/Land Transport Interfaces in the Ports of the Black Sea; Sogelerg, Port de Barcelona and Port Autonome de Marseille, November 1995(Tacis financed)
- Study Noworossisk Port , PTC Port and Transport Consulting GmbH, 1996 (Tacis financed)

After the commencement of this project, the GTZ project "Optimising and Reorganisation of the Ports of Poti and Batumi" started with the implementation phase. A team of experts in Poti and Batumi are implementing the outlined objectives especially in the field of management training, privatisation, finance, and accounting and organisation. Somewhat later, the Cornell Group Inc. of Fairfax and Savanna, USA, commenced working

on similar topics on behalf of the USAID programme. Cooperation with the GTZ and the USAID projects have been agreed upon, in order to avoid contradicting and overlapping work.

In the course of the project cooperation with other Tacis projects is intended whenever necessary and possible.

3.2 Project Objectives

The overall objective of the project is to realise modern cargo handling terminals in the Georgian ports. In this respect the project should define the physical improvements, possibilities and organisational transformations necessary.

- The port shall be enabled to provide service for trade and transport from and to the Traceca hinterland (Europe - Asia - the Caucasus region)
- The changes in the ports shall promote regular, reliable and fast shipping links to the world markets by improved services
- A port strategy shall be developed and the ports' commercial policies shall be defined, taking into consideration impacts from privatisation, and investors

During the project planning workshops in Poti and Batumi the following main topics that must be dealt with have been identified:

- Definition of main clients
- The way to compete
- The image in the market
- The future organisation
- The important trends in the shipping industry

These topics are in line with the ToR and the activities necessary to reach the objectives related to them. The objectives considered by the port management to be important to be reached by the project where specified in the workshops as follows:

- Reorganisation of management system
- Privatisation
- Structural changes
- Changes of the attitude towards work
- Overcoming of psychological barriers
- Specialisation of terminals and workforce
- Introduction of modern technologies
- Reconstruction of roads and rail

A most important assumption, made by the participants, to reach these goals was that the economical and political situation remained stable.

3.3 Project Approach

The project had been designed to utilise local knowledge and experience to a high degree. Due to the circumstances described in 2.3, the project planning workshop that was to involve the port management staff fully into the project could not be carried out in its intended form and intensity. Accordingly, the anticipated results could only be reached in part. An in-depth discussion, leading to a jointly designed structure of Phase 2, had to be postponed to a later opportunity. Nevertheless, the work that could be done resulted in an introduction of the project, an apparent positive reception of it and lively discussions about the need to adapt to new ways of thinking.

In the course of the project we will inform management continuously of all steps and activities we undertake and seek their early involvement in all matters that could give rise to difference of opinion or misunderstandings. We will closely cooperate with the port managements and discuss all matters of port development with them.

The output of this project shall be a realistic and workable port development plan that has been understood and accepted by all involved and concerned and is considered *their* project. It shall be of a high professional standard but consummate with local conditions and possibilities.

3.4 Constrains, Risks and Assumptions

The feasibility study will be based to some extent on the work completed by other recent studies. Historic data are of little relevance as the circumstances in the port and transport fields as well as in the political and social areas have changed profoundly and are in no way comparable to former conditions. This concerns in particular traffic and throughput figures, productivity of man and machines, operating and investment costs as well as wages, rents and other charges. The missing information must be derived at by indirect means which at times are connected with large uncertainties.

As the political and economical system of the country is still in the transition period, some project results may be delayed or rendered impossible. Other project activities might need to be refocused to take changed local conditions into consideration.

For the execution of this project it is assumed that the political situation in Georgia and in the region remains stable or improves, that the economy of the country and of the countries of the hinterland continues to grow, that the capacity constraints of the transport network will be alleviated in line with economic development, that market economic structures will proliferate and that the social situation improves. Concerning the ports it is assumed that the Ministry of Transport continues to support the reform processes in the ports, that there will be continuity of management and decision making, that market economic procedures will be introduced and that the ports will implement agreed changes in due time.

On a more practical side it is assumed that the power situation improves soon, as the frequent power cut not only hinder the work of the expert team, but have also a negative influence on the productivity and motivation of the ports' staff.

3.5 Planning for the Next Period

The individual activities for the next ten months have been detailed in a schedule shown in Table 1.5a.

This schedule includes the following changes to the original work plan that have already been made:

- At the urgent request of the Task Manager right at the beginning of the project work, tender documents were designed and prepared for Traceca grants for the development of the rail ferry connection between Georgia and Ukraine for
 - Design and Construction of Rail Ferry Facilities in the Port of Poti (Georgia)
 - Improvement of the Existing Rail Ferry Terminal, and Design and Construction of Additional Facilities for the Port of Illyichevsk (Ukraine)
 - Establishing a Ferry Cargo Movement Computer System and Supply and Installation of the Necessary Computers and Communication Equipment for the Ports of Illyichevsk (Ukraine) and Poti (Georgia)

This work included on-site inspections in Illyichevsk and Poti as well as on one of the Poti-Illyichevsk rail ferries.

- As part of the traffic forecast a "Study on Traffic Potential for the Rail Ferry Service between Poti (Georgia) and Illyichevsk (Ukraine) - Report on a Potentiality Investigation -" had also to be completed very early in the project at the urgent request of the Task Manager.
- At the request of the Traceca Management Unit and with the authorisation of the Task Manager an in-depth engineering inspection and evaluation of the port-internal railway systems in both ports was conducted. This activity had not been foreseen previously; only recently the ownership of the rail system in Poti port had passed from the Georgian Railways to the port. Resources for this activity were taken from the time allocated initially to Human Resources.

Due to some unforeseen developments in the ports, the schedule in Table 1.5a is not yet complete and will need some adjustment. The following facts need to be taken into consideration:

- When preparing the initial work plan in the offer we knew that a team of experts from GTZ would also work in the port; their tasks were known in general terms and our work plan was designed accordingly. As we have learned now, their actual tasks has been redefined and rearranged.
- Shortly after project work began in Georgia, a team of advisors from USAID started also to work in the ports, apparently concentrating mainly on organisational and privatisation matters.

As all three teams work on the subjects of

- Privatisation
- Finance and accounting
- Reporting systems
- Traffic forecasts
- Development of organisation structures for the both ports
- Capability of staff

certain overlaps of work are probable.

- Pressures on the ports to privatise the ports or parts thereof, or to sell certain port areas outright, have grown tremendously in the last few weeks, especially on Poti, and have resulted in that area of advise to become much more urgent.
- The new Port Director of Poti is calling upon the Tacis-Traceca team leader frequently to assist with coordination matters, to advise on urgent daily problems, to represent the ports at ministerial meetings in Tbilisi, to comment and advise on privatisation proposals, to advise on legislative questions and to assist the Port Director in urgent policy matters. The Task Manager has requested the team leader to attend to the Port Manager's requests and assist him in all professional matters, as such close cooperation is urgently necessary for the proper future development of the ports.

The points detailed above will require most probably some rearrangements of the team's work. The Task Manager has requested the team to specify, within the Terms of Reference, necessary changes to the work schedule. For this purpose, the Port Director of Poti called a meeting between the three consulting teams, at which each team was to detail its Terms of Reference, its work plan and its execution schedule. The idea was that the Traceca team would decide on the basis of this information which of its work could be reduced or rescheduled by using the results of the other teams as input, in order to gain additional resources for extra work due to the above changes. The result of this rescheduling and rearranging should have been the essence of this section of the Inception Report and it had been agreed with the Task Manager and the Management Unit that this Inception Report should wait for these results.

Despite several attempts by the team leader and the Port Director of Poti and several written invitations to the other team leaders, it was not possible until now to hold this meeting. Therefore, this Inception Report had to be prepared with a Work Plan for the Next Period, that is not final.

3.6 Planning Phase 4, Civil Engineering

In Phase 1 of the project, Review and Forecasting, a great number of necessary measures and investments to be executed in the short and medium term will most probably be identified. These measures and investments will be further investigated and listed in the Phased Development Plan of Phase 2. This Plan will cover the first five years and will comprise all clearly identified investments in construction and equipment, both for remedial and for new works.

In Phase 4 of the project tender documents will be prepared for selected items of the Development Plan.

It is already obvious from our preliminary investigations that the number of engineering items that needs to be addressed will be rather large and will exceed available resources for design work and specification description by far. Therefore, an agreement must be reached, latest at the end of Phase 2, on how to proceed.

One possible course of action would be to prepare for a larger number of items initial and preliminary designs that would allow for "design and construct" contracts, another possibility would be to concentrate on a rather few items and follow them through to the final design stage.

The Consultants will prepare proposals for both possibilities, describing clearly the scale of work that is possible within the available resources, and indicate the implications of either action. In a discussion with Takis-Traceca, with the ports and with possible future financiers, mutual agreement on how to proceed in Phase 4 will be sought.

List of participants of the Project Planning Workshop in Poti

	Name	Position
1	Mr Jemal Inaishvili	General Director of Poti Seaport
2	Mr Devi Gvalia	Deputy Head of the Director in the Field of Reconstruction, Development and Strategic Planning
3	Mr. Guram Adamia	Chief Engineer
4	Mr Pavel Zabolotsky	Head of Communication
5	Mr Holger Nauheimer	HPTI Moderator
6	Mr Bodo Rossig	HPTI TACIS/TRACECA Team Leader
7	Miss Helga Wagner	HPTI TACIS/TRACECA Project Co-ordinator
8	Mr Pieter Bosman	RMG TACIS/TRACECA Civil Engineer
9	Dr Peter Pautch	Dornier TACIS /TRACECA Transport Expert
10	Mr Arie Paul Schipper	RMG Consortium colleague of HPTI to Tacis
11	Mr Horst Raschdorf	Port Development HPTI
12	Mr Tamaz Beraia	Head of Mechanization Department
13	Mr Jemal Khurashvili	Head of Electric Power Supply Department
14	Mr Eduard Zarbabov	Main Technologist
15	Mr Petre Abramia	Port Captain
16	Mr Grigol Kirtskhalia	Main Dispatcher
17	Miss Irma Gugushvili	Port Press Centre

List of Participants of the Project Planning Workshop in Batumi

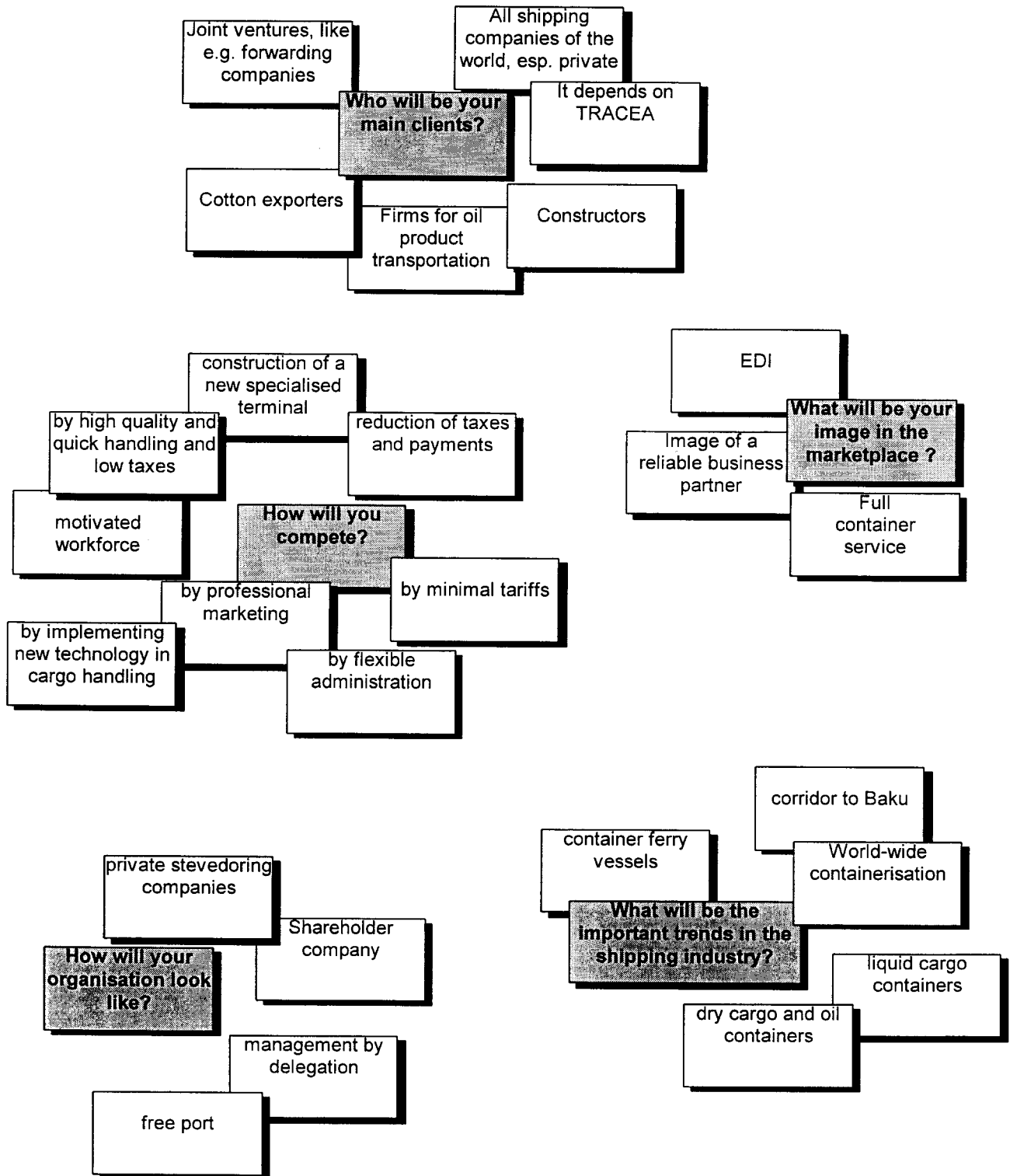
	Name	Position
1.	Mr Vladimer Imnaishvili	GMA Captain "Pata"
2.	Mr Roland Devadze	Batumi Harbor Master
3.	Dr Peter Pautsch	Dornier TACIS/TRACECA Transport Expert
4.	Miss Helga Wagner	Project Coordinator
5.	Mr Holger Nauheimer	Moderator
6.	Mr Friedrich Clauss	GTZ-Team
7.	Mr Peter Bosman	Civil Engineer
8.	Mr Boris Yanukyan	Civil Engineer of Batumi Port
9.	Mr Arie Paul Schipper	RMG Consortium colleague of HPTI to TACIS Financial Analyst and Accountancy Expert
10.	Mr Amiran Cheishvili	Deputy Had for Mechanization
11.	Irakli Tsivadze	Deputy Head for Exploitation
12.	Mr Jambul Ninidze	1 st Deputy of Batumi Port Director
13.	Mr Roin Nakashidze	Deputy Head for Intereconomical and Commercial Relations
14.	Mr B.Devadzea	Chief of Economic Department
15.	Mr Bodo Rossig	Team Leader TACIS/TRACECA
16.	Mr Merab Dolidze	Deputy Head for Construction

List of Participants of the Project Planning Workshop in Tbilisi

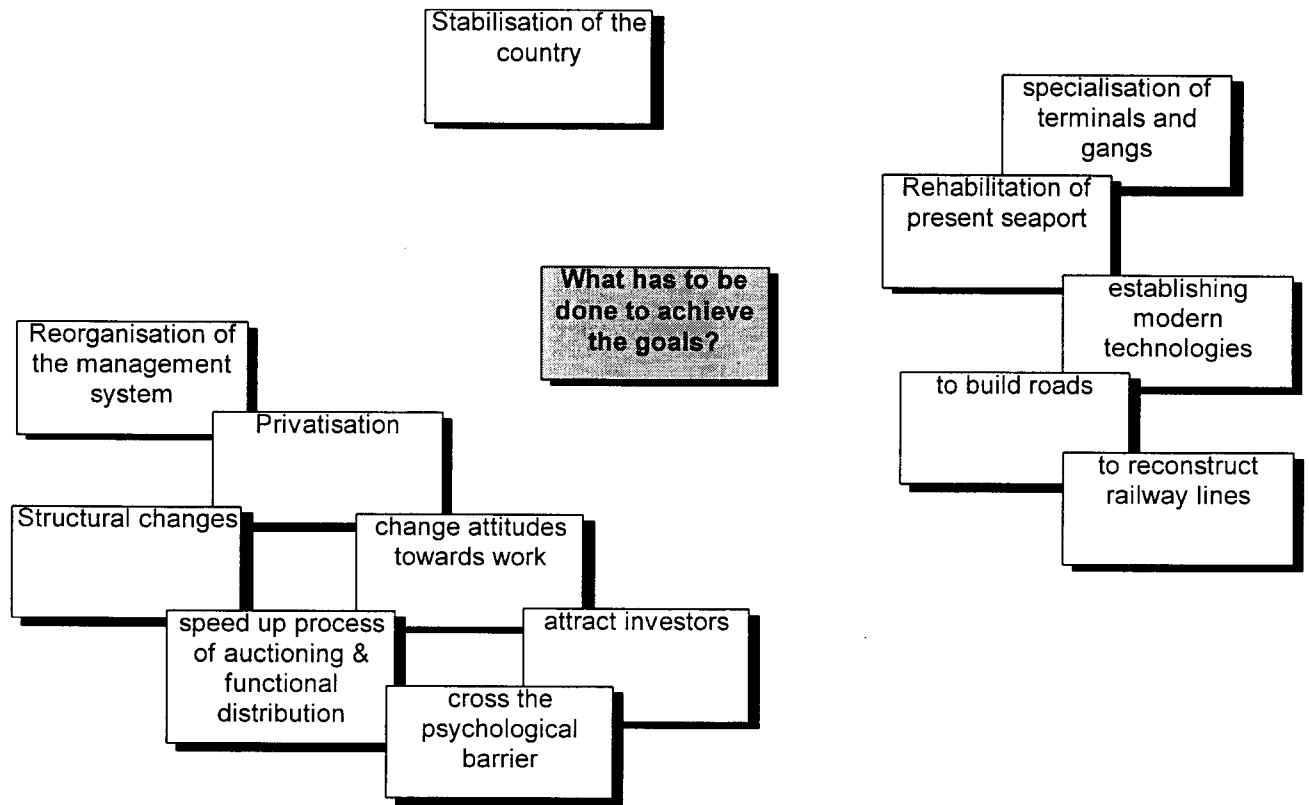
Name	Organisation	Position
Mikhail Patashvili	Ministry of Transport Dep. of International Relations	Chief Specialist
Revaz Sanikidze	Ministry of Transport	Deputy of Department
Temur Khodzava	Ministry of Transport	Head of Department
Tengiy Gogilia	Tacis Monitoring and Evaluation Programme	Consultant
Pieter Bosman	HPTI-Dornier-RMG Consortium Tacis Team Poti + Batumi	Civil Engineer
Emzari Gegeshidze	Maritime Administration Georgia	Deputy Head of Adminstration
Inga Nemadze	Minstry of Transport Head of Multilateral Relations Division	Deputy Head of Division
Guram Mamunashvili	Ministry of Transport	Deputy Minister
Tornike Tsiklauri	Problem Centre TRACECA	Deputy Director of Problem Centre TRACECA
Vladimir Chkhaidze	Ministry of Transport	Deputy Head of Department
Lasha Khonelidze	Ministry of Transport Dep. of Foreign Relations	Head of Division
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Levan Bakhtadze	Administration of Investment Policy	Head of Administration
Horst Raschdorf	HPTI-Dornier-RMG Consortium Tacis Team Poti + Batumi	Port Development Expert
Revaz Petriashvili	Ministry of Transport	Chief State Counsellor
Helga Wagner	HPTI-Dornier-RMG Consortium Tacis Team Poti + Batumi	Project Co-ordinator
Revaz Marcharashvili	Ministry of Transport	Head of Administration
Vakhtaig Lomadze	Minstry of Transport	First Deputy Minister
Ramaz Shamugia	Department of Economic	Deputy Head of Licensing

	Politics and Intermodal Coordination	and Trade Politics
Konstantin Vatmanidi	Ministry of Transport	Head of the Department of Public Relations and Protocol
Tengiz Panguidze	Department of Economic Politics and Intermodal Coordination	Deputy Head of Department
Arie Paul Schipper	HPTI-Dornier-RMG Consortium Takis Team Poti + Batumi	Financial and Accounting Expert
Otari Giorgobiapi	Dep. of International Relations of the Transport Ministry	Chief Specialist
Dr. Peter Pautsch	HPTI-Dornier-RMG Consortium Takis Team Poti + Batumi	Transport Economist
Vladimir Schelia	Department of Economic Politics and Intermodal Coordination	First Deputy Head
Holger Nauheimer	HPTI	Moderator
George Tsagarili	Ministry of Transport - Centre for Euroasian Transport Corridor	Director

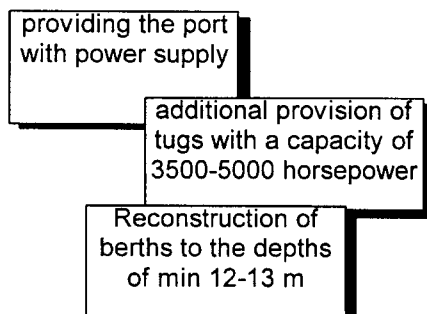
Results from Workshops in Poti and Batumi (1): The Vision of the Future



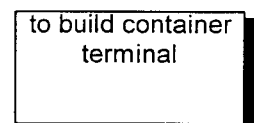
Results from Workshops in Poti and Batumi (2): Actions Required



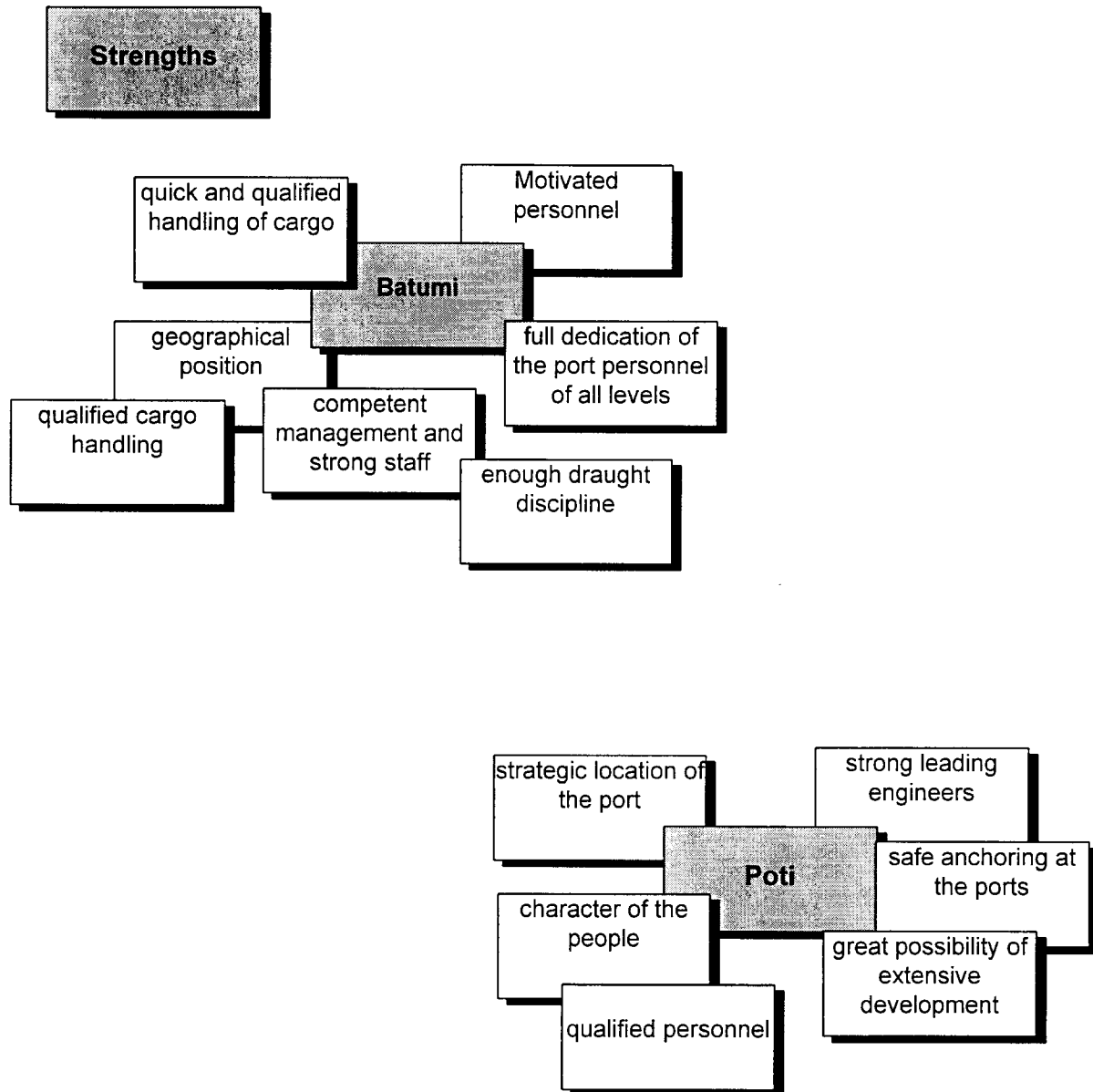
POTI



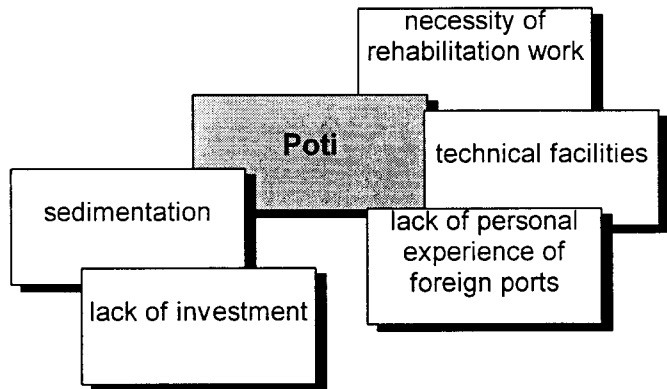
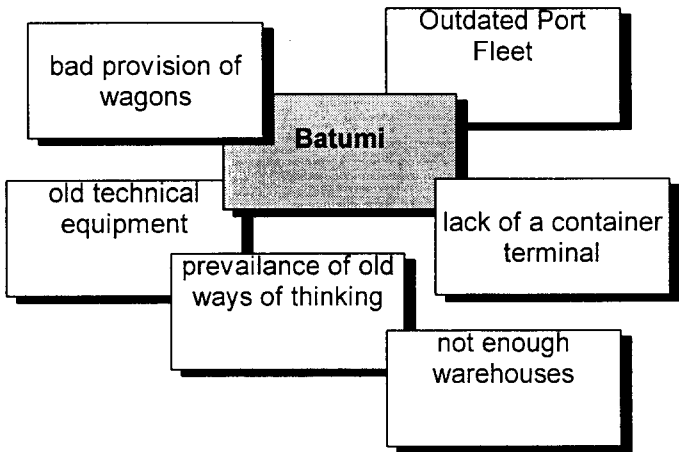
BATUMI



Results from Workshops in Poti and Batumi (3): Strengths and Weaknesses



Weaknesses



FORM 1.4. : OVERALL PLAN OF OPERATIONS

For details see table 1.4a

Project title : Feasibility Study of New Terminal Facilities in the Georgian Ports		Project number : TNREG 9603		Country : Georgia		Page :							
Planning period : 17.07.1997 - 17.07.1998		Prepared on : 23 September 1997		EC Consultant : HPTI-Dornier-RMG Consortium.									
Project objectives :													
No	MAIN ACTIVITIES	TIME FRAME								INPUTS			
		1997				1998				PERSONNEL	EQUIPMENT AND MATERIAL	OTHER	
		1	2	3	4	1	2	3	4	EC Consultant	Counterpart	Office equipment: 2 fax, 2 phone, e-mail 3 computer, 2 copier, 4 A4 printer, 2 A3 printer, 2 project cars	Flights Europe - Georgia Flights NIS Flights Brussel
1.	Phase 1: Review and Forecasting			xxx	x					Port Develop- ment and Plan- ning Experts Port + Shipping Economist Transport Economist			
2.	Phase 2: Port Master Planning Phase 3: Preliminary Design and Outline Specifications for Tender Documents Phase 4: Detailed Design and Production of Tender Documents					xx	x			Equipment Expert Environmental Expert Fin. Analyst Account. Expert Privatisation Expert Legal Expert Human Re- sources Expert LogFrame Mod- erator Civil Engineers Management + Backstopping	Workshop materials	3 Study Tours for port manage- ments	
		TOTAL				130.0 man months				176.0 man months		40flights +13 NIS Flights +21 Study Tour flights	

FORM 1.5 : OVERALL OUTPUT PERFORMANCE PLAN

For Details see Project Work Plan, Table 1.5a

Project title : Feasibility Study of New Terminal Facilities in the Georgian Ports Planning period : 17.07.1997 - 17.07.1998	Project number : TNREG9603	Country : Georgia	Page :
Outputs (to be described and target dates indicated)	Milestones	Constrains, Remarks and Assumptions C/A	
<p>Phase 1</p> <p>0. Conduct traffic potential study for rail ferry terminal and prepare tender documents</p> <p>1. Trade, Shipping and Ports in the Black Sea are Reviewed</p> <p>2. An Improved Traffic Forecast is Available.</p> <p>3. Containerisation and Unitisation Potentials are identified</p> <p>4. Transport Connections and Opportunities are Investigated and The Most Viable Route Connections between TRACECA and the TEN is Recommended</p> <p>5. The Present Facilities are Reviewed under Civil Engineering Aspects</p> <p>6. The Present Facilities are Reviewed under Mechanical Engineering Aspects</p> <p>7. The Structure of the Organisation and the Capability of Staff are Assessed</p> <p>8. Commentaries on Financial Reporting Procedures are given</p> <p>9. Proposals for the Development of Cotton Storage Facilities are Made</p> <p>10. The Functional Requirements of the Port are Defined</p> <p>11. The Data for the Preparation of an Outline for an Environmental Assessment are Collected</p>	<p>Traffic potential study is finalised</p> <p>For Phase 1</p> <ul style="list-style-type: none"> • Previous Tacis and other relevant reports have been reviewed • Visits to other Black Sea Ports have been conducted • Phase 1 Report ready by end of October <p>(For details compare Table 1.5a)</p>	<p>For Phase 1</p> <ul style="list-style-type: none"> • Port management agrees on work plan • Recruit local experts • Arrange set up of the team on location • Make available all relevant reports <p>(For details compare Table 1.5a)</p>	

<p>Project title : Feasibility Study of New Terminal Facilities in the Georgian Ports Planning period : 17.07.1997 - 17.07.1998</p>	<p>Project number : TNREG9603 Prepared on : 23 September 1997</p>	<p>Country : Georgia EC Consultant : HPTI-Dornier-RMG Consortium</p>	<p>Page :</p>
<p>Outputs (to be described and target dates indicated)</p> <p>Phase 2</p> <ol style="list-style-type: none"> 1. The Master Plans for the two Ports are Prepared 2. A Phased Development Plan is Specified 3. Cash Flow Forecasts for the priority Investments are Prepared 4. Economic and Financial Analysis of the Recommended Development is Performed 5. Improvements in management structures and systems are recommended 6. Port Marketing is Improved 7. Possible Options to Introduce and Facilitate the Entry of Private Investment in Parts of the Envisaged Port Infrastructure Development are Assessed 8. Certain Factors in the Port Environment are Analysed 9. An Environmental Impact Assessment of the Developments in the Ports and of Subsequent Operations is Prepared 	<p>Milestones</p> <p>For Phase 2</p> <p>Phase 2 Report is finalised by mid of February 1998 (For details compare Table 1.5a)</p>	<p>Constrains, Remarks and Assumptions</p> <p>C/A</p> <p>For Phase 2</p> <ul style="list-style-type: none"> • Port management and other relevant authorities accept the proposal of the port master plans (For details compare Table 1.5a) 	

<p>Project title : Feasibility Study of New Terminal Facilities in the Georgian Ports</p> <p>Planning period : 17.07.1997 - 17.07.1998</p>	<p>Project number : TNREG9603</p> <p>Prepared on : 23 September 1997</p>	<p>Country : Georgia</p> <p>EC Consultant : HPTI-Dornier-RMG Consortium</p>	<p>Page :</p>
<p>Outputs (to be described and target dates indicated)</p> <p>Phase 3</p> <ol style="list-style-type: none"> 1. Preliminary Engineering Designs and Outline Specifications for the Principal Components of the first Phase of Recommended Development are Prepared 2. Preliminary Engineering Designs for Equipment Rehabilitation and Outline Specifications for New Cargo Handling Equipment are Prepared 3. Assessment of the Beneficiary's credit worthiness for a possible Bank loan and of possible other project finance arrangements by private investors 4. An Efficient Organisational Structure as well as Training Programmes are Proposed 5. Legal documentation for private investments by concessions is prepared 6. Should the preceding work indicate the need and opportunity for a private sector investor and recommend his selection by tender process, the Consultant will prepare tender documentation for the selection of a private partner and assist in tender process finalisation <p>Phase 4</p> <ol style="list-style-type: none"> 1. Tender Documents for the Development Project are Prepared 2. Assistance in Procurement is Given 	<p>Milestones</p> <p>For Phase 3</p> <p>Phase 3 Report will be finalised by mid of May 1998 (for details compare Table 1.5a)</p> <p>For Phase 4</p> <p>Phase 4 Report planned to be finalised by mid of July 1998 (For details compare Table 1.5a)</p>	<p>Constrains, Remarks and Assumptions</p> <p>C/A</p> <p>(For details compare Table 1.5a)</p>	

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

Project title : Feasibility Study of New Terminal Facilities in the Georgian Ports	Project number : TNLREG 9603	Country : Georgia	Page :
Planning period : 17.07.1997 - 17.07.1998		Prepared on : 23 September 1997	
EC Consultant : HPTI-Dornier-RMG Consortium.			

Project objectives :

No	ACTIVITIES	TIME FRAME												INPUTS					
		1997/1998 (months)												PERSONNEL	EQUIPMENT AND MATERIAL	OTHER			
		July	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	April	May	June				EC Consultant	Counterpart	
I	Conduct traffic potential study for rail ferry terminal and prepare tender documents	xx	x	xxxx	x														
1	Trade, Shipping and Ports in the Black Sea are Reviewed		x	xxxx	x														
2	An Improved Traffic Forecast is Available				xx														
3	Containerisation and Unitisation Potentials are identified				x														
4	Transport Connections and Opportunities are Investigated and The Most Viable Route Connections between TRACECA and the TEN is Recommended				xxx														
5	The Present Facilities are Reviewed under Civil Engineering Aspects				xx														
6	The Present Facilities are Reviewed under Mechanical Engineering Aspects		xxxx	xx															
7	The Structure of the Organisation and the Capability of Staff are Assessed				xx														
8	Commentaries on Financial Reporting Procedures are given			xx															
9	Proposals for the Development of Cotton Storage Facilities are Made			xx															
10	The Functional Requirements of the Port are Defined			xxx															
11	The Data for the Preparation of an Outline for an Environmental Assessment are Collected		x																
II	The Master Plans for the two Ports are Prepared				xx														
1	A Phased Development Plan is Specified				xx														
2	Cash Flow Forecasts for the priority Investments are Prepared				xx														
3					xxx														

ACTIVITIES	July	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	April	May	June	July	EC Consultant	Counterpart
4 Economic and Financial Analysis of the Recommended Development is Performed					xx	xx	xxx							6 weeks	
5 Improvements in management structures and systems are recommended					xx	xx	xxx							7 weeks	
6 Port Marketing is Improved					xx	xx	xxx							5 weeks	
7 Possible Options to Introduce and Facilitate the Entry of Private Investment in Parts of the Envisaged Port Infrastructure Development are Assessed					xx	xx	xxx							6 weeks	
8 Certain Factors in the Port Environment are Analysed					xx	xx	xxx							4 weeks	
9 An Environmental Impact Assessment of the Developments in the Ports and of Subsequent Operations is Prepared							xxxx							5 weeks	
10 Preliminary Engineering Designs and Outline Specifications for the Principal Components of the first Phase of Recommended Development are Prepared							xx		xx	xxxx				22 weeks	
11 Preliminary Engineering Designs for Equipment Rehabilitation and Outline Specifications for New Cargo Handling Equipment are Prepared							xx		xx	xxxx				5 weeks	
12 Assessment of the Beneficiary's credit worthiness for a possible Bank loan and of possible other project finance arrangements by private investors							xx		xx	xxxx				5 weeks	
13 An Efficient Organisational Structure as well as Training Programmes are Proposed							xx		xx	xxxx				16 weeks	
14 Legal documentation for private investments by concessions is prepared							xx		xx	xxxx				15 weeks	
15 Should the preceding work indicate the need and opportunity for a private sector investor and recommend his selection by tender process, the Consultant will prepare tender documentation for the selection of a private partner and assist in tender process finalisation										xxxx			xx	26 weeks	
16 Tender Documents for the Development Project are Prepared										xxxx			xx	7 weeks	
17 Assistance in Procurement is Given										xxxx			xx		
	TOTAL													246 weeks	

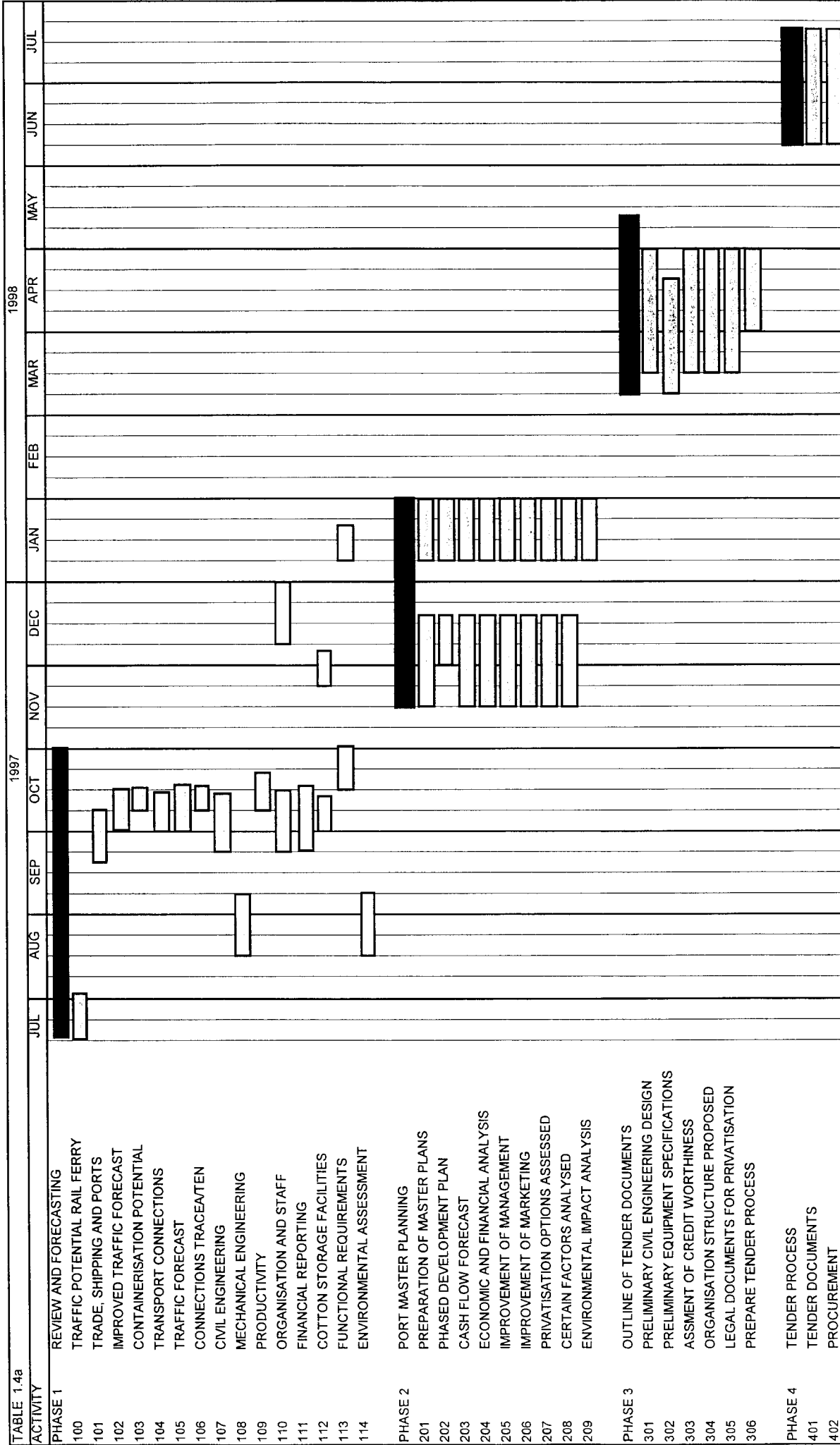


Table 1.5a: Working Plan for the Feasibility Study of the Ports of Poti and Batumi

Outputs/Activities	Responsibility	Timeframe/ Milestones	Remarks
Phase 1: Review and Forecasting		Aug. 6 -Oct. 31, 1997	propose shortening of review phase (Nov. 1 -Nov. 15)
100 Traffic potential study for rail ferry terminal is prepared and tender documents elaborated		Completed	
101 Trade, Shipping and Ports in the Black Sea are Reviewed	<ul style="list-style-type: none"> • Port and Shipping Economist • Marine expert 	done July/Aug 97	
101.1 Perform a review of previous studies, and of trade, shipping and ports in the Black Sea	<ul style="list-style-type: none"> • Port Development Experts 	Sep 22 - Oct 7 (visits)	<ul style="list-style-type: none"> • Local Economist to be recruited • team on location • prepare questionnaires • arrange translation • make definite visit arrangements • contact representatives in advance • arrange visa • include infos for act. 103 in the questionnaires and structured interview
102.2 Interview representatives of the maritime industry of the Black Sea ring	<ul style="list-style-type: none"> • Transport Economist • Port and Shipping Economist 	until October 15 (reports)	
102.3 Validate findings and verify conditions by site visits to ports in the Black Sea	<ul style="list-style-type: none"> • Operations Expert (for Ferry Facilities) 		
102.4 Determine the competitive environment of the Georgian ports	<ul style="list-style-type: none"> • Local Economist (1) 		
102 An Improved Traffic Forecast is Available			
102.1 Analyse historical data	<ul style="list-style-type: none"> • Transport Economist 	Report ready on Oct. 15	<ul style="list-style-type: none"> • review World Bank Handbook • deduct information from structured interviews • update forecast in Phase 2
102.2 Prepare an economic evaluation of the country	<ul style="list-style-type: none"> • Port and Shipping Economist 	Sep. 13-14	
102.3 Update the TRACECA traffic forecast	<ul style="list-style-type: none"> • Local Economist 		
102.4a Development of structured questionnaire	<ul style="list-style-type: none"> • Transport Economist • Port Development Experts 	until Oct. 15	<ul style="list-style-type: none"> • receive input from 101
102.4 Evaluate the country's natural (land and sea) hinterland and analyse economic activities as well as the transport systems there	<ul style="list-style-type: none"> • Transport Economist • Port and Shipping Economist • Local Economist (2) 		
102.5 Conduct structured interviews with major existing and potential shippers			
102.6 Investigate potential new trade			
102.7 Prepare an improved traffic forecast			

Table 1.5a: Working Plan for the Feasibility Study of the Ports of Poti and Batumi

Outputs/Activities	Responsibility	Timeframe/ Milestones	Remarks
<p>103 Containerisation and Unitisation Potentials are identified</p> <p>103.1 Examine ferry facilities in other ports 103.2 Determine traffic patterns for feeder and liner services 103.3 Review availability of shipping 103.4 Analyse container and unitisation potential of cargo</p>	<ul style="list-style-type: none"> • Transport Economist • Port and Shipping Economist • Local Transport Specialist 	<p>Oct. 7-15</p>	<ul style="list-style-type: none"> • Input: Outcome from 101.2, 101.3 & 102.5
<p>104 Transport Connections and Opportunities are Investigated</p> <p>104.1 Design the total unit cost structure for the different commodities 104.2 Perform the cost simulation 104.3 Evaluate the cost simulation results for the different commodities 104.4 Recommend the most viable route connections between TRACECA and the TEN 104.5 Identify alternative transport routes</p>	<ul style="list-style-type: none"> • Transport Economist • Transport Simulation Expert • Local Economist 	<p>until Oct. 15</p>	<ul style="list-style-type: none"> • make a list of alternative routes • reference to Baku study • simulation study • cargo potential study (rail ferry) • results of act. 106 • TRACECA studies
<p>105 Traffic Forecasts are Prepared</p> <p>105.1 Prepare short, medium and long-term forecasts 105.2 Identify the cargo potential for each port</p>	<ul style="list-style-type: none"> • Transport and Shipping Economist 	<p>Oct. 15</p>	<ul style="list-style-type: none"> • Summary from activities 101-104 • Results from activities 101-104
<p>106 The Most Viable Route Connections between TRACECA and the TEN is Recommended</p> <p>106.1 Model the multimodal transport simulation model 106.2 Collect and select data of representative relations and their volumes 106.3 Simulate alternatives 106.4 Evaluate simulation results</p>	<ul style="list-style-type: none"> • Transport Economist (106.2-5) • Simulation Expert (106.1-4) • Transport and Shipping Economist (106.2) 		<ul style="list-style-type: none"> • conduct 50 interviews with major forwarders • major shipping companies • major integration • reference to outcomes of 101.2 & 3, 102.4 and 104.4, and

Table 1.5a: Working Plan for the Feasibility Study of the Ports of Poti and Batumi

Outputs/Activities	Responsibility	Timeframe/ Milestones	Remarks
106.5 Recommendations for the most viable route connections between TRACECA and the TEN	<ul style="list-style-type: none"> Port Development Expert (106.2) Local Economist (106.2) 		<ul style="list-style-type: none"> custom records of shipping agencies pre-model to be updated and finalised in Phase 2 preliminary comparison of alternatives - to be updated in Phase 2
107 The Present Facilities are Reviewed under Civil Engineering Aspects	<ul style="list-style-type: none"> Civil Engineer Local Civil Engineer Chief Engineer Head of Development Harbour Master 	107.1 partly existing	<ul style="list-style-type: none"> review existing topographical survey and verify it
107.1 Prepare a topographical survey of the main parts of the ports 107.2 Conduct a condition survey on civil installations and identify reasons for condition deficits 107.3 Conduct topographical surveys of the ports 107.4 Appraise the adequacy of the utilities 107.5 Review the navigational conditions of the ports			
108 The Present Facilities are Reviewed under Mechanical Engineering Aspects	<ul style="list-style-type: none"> Cargo Handling Equipment Expert 	Completed	
108.1 Make an inventory of all cargo handling equipment and mechanical engineering installations of the ports			
108.2 Conduct a condition survey on cargo handling equipment and identify reasons for condition deficits			
108.3 Specify repairs and necessary improvements			
108.A The present facilities are reviewed under railway engineering aspects	<ul style="list-style-type: none"> Railway Expert 	Completed	
108.1 Make an inventory of all railway installations in both ports			
108.2 Identify reasons for conditions deficits			
108.3 Specify repairs and necessary improvements			

Table 1.5a: Working Plan for the Feasibility Study of the Ports of Poti and Batumi

Outputs/Activities	Responsibility	Timeframe/ Milestones	Remarks
<p>109 The Productivity of the Port is Estimated</p> <p>109.1 Analyse the present port performance 109.2 Estimate the productivity of the port</p>	<ul style="list-style-type: none"> • Port Development Expert • Director of Operations 		<ul style="list-style-type: none"> • Analyse results of the GTZ project concerning port performance • Give overview of existing reports to Finance and Accounting Expert
<p>110 (new) The Structure of the Organisation and the Capability of Staff are Assessed</p> <p>110.1 Conduct a manpower audit</p>	<ul style="list-style-type: none"> • HRD Expert • Local Expert 	<p>Manpower Audit transferred to Phase 2</p>	<ul style="list-style-type: none"> • manpower audit for management level refer to work of GTZ/HPC project • refer to work of USAID experts • provide information on organisation and staff to Financial and Accounting Expert
<p>111 Commentaries on Financial Reporting Procedures are given</p> <p>111.1 Comment on financial reporting procedures and controls, traffic statistics, general planning data</p>	<ul style="list-style-type: none"> • Financial and Accounting Expert • Local Accounting Expert 	<p>until October 15</p>	<ul style="list-style-type: none"> • Outputs: <ul style="list-style-type: none"> • Overview of existing reports and statistics • Overview of planning and control requirements • Overview of necessary changes • close co-operation with GTZ/HPC project which takes care of this topic in detail - • recruit Local Finance Expert
<p>112 Proposals for the Development of Cotton Storage Facilities are Made</p> <p>112.1 Review of Traceca Cotton Study 112.2 Preparation of Project Information Memorandum 112.3 Project Information Memorandum Advertising</p>	<p>Port Development Expert Local Legal Expert</p>	<p>112.2: until Oct. 15 112.3: Nov. 97</p>	<ul style="list-style-type: none"> • required: <ul style="list-style-type: none"> • infos on cotton trade • infos on requirements for cotton storage from Hamburg • infos from 101
<p>113 The Functional Requirements of the Port are Defined</p>	<ul style="list-style-type: none"> • Port Development Expert 	<p>preliminary report: Oct. 97, to be finalised in Phase 2</p>	<ul style="list-style-type: none"> • infos from 101 • start discussion on functional requirements • outline of operational methods and requirements for future development

Table 1.5a: Working Plan for the Feasibility Study of the Ports of Poti and Batumi

Outputs/Activities	Responsibility	Timeframe/ Milestones	Remarks
<p>114 The Data for the Preparation of an Outline for an Environmental Assessment are Collected</p> <p>114.1 Review previous studies</p> <p>114.2 Review the national legal and administrative framework</p> <p>114.3 Analyse the present environmental situation in the area of the two ports</p> <p>114.4 Conduct a scooping exercise</p> <p>114.5 Analyse the present socio-economic environment</p>	<ul style="list-style-type: none"> Environmental Expert 	Completed	
<p>Phase 2</p> <p>Port Master Planning</p>		<p>Nov. 15 - Dec. 15 Jan 8 - Jan. 31</p>	<p>propose shortening of review phase (Nov.1 -Nov. 15)</p>
<p>201 The Master Plans for the two Ports are Prepared</p> <p>201.1 Recommend zoning for land use</p> <p>201.2 Investigate access and circulation patterns for maritime, road and rail traffic</p> <p>201.3 Specify locations and conceptual outlines of port facilities</p> <p>201.4 Prepare land-use plan for shore line and other competing land uses</p> <p>201.5 Prepare a work plan for continuous operations during construction</p> <p>201.6 Investigate the installation of a wagon cleaning facility</p> <p>201.7 Develop a strategy concerning port development</p>	<ul style="list-style-type: none"> Port Development Expert Transport Economist Port and Shipping Economist Civil Engineer Cargo Handling Equipment Expert Port Development Department Operations Department Local Economist (1) 	<p>Nov. 97- Jan. 98</p> <p>Report to be completed on January 31, 98</p> <p>Strategy development started in Phase 1</p>	<ul style="list-style-type: none"> receive inputs from Phase 1 Define requirements for outside rail/road system

Table 1.5a: Working Plan for the Feasibility Study of the Ports of Poti and Batumi

Outputs/Activities	Responsibility	Timeframe/ Milestones	Remarks
<p>202 A Phased Development Plan is Specified</p> <p>202.1 Elaborate a phased development plan 202.2 Develop cost estimates for the first development phases 202.3 Identify priority investments</p>	<ul style="list-style-type: none"> • Port Development Experts • Civil Engineer • Cargo Handling Equipment Expert • Financial Analyst • Local Costs Engineer (Estimator) 	<p>Dec. 1-20 Jan 8-30</p>	<ul style="list-style-type: none"> • parallel to 201
<p>203 Cash Flow Forecasts for the Priority Investments are Prepared</p> <p>203.1 Evaluate the financial terms of the investment</p>	<ul style="list-style-type: none"> • Financial Analyst 	<p>Nov. 97-Jan. 98</p>	
<p>204 Economic and Financial Analysis of the Recommended Development is Performed</p> <p>204.1 Design cost/benefit and financial analysis 204.2 Collection of Data 204.3 Execute cost/benefit and financial analysis 204.4 Evaluate the results and recommend further activities</p>	<ul style="list-style-type: none"> • Financial Analyst 	<p>Nov. 97 - Jan. 98</p>	<ul style="list-style-type: none"> • link up with Accounting Expert
<p>205 Improvements in management structures and systems are recommended</p> <p>205.1 Propose efficient port management organisational structures 205.2 Suggest a new organisation for maintenance and repair 205.3 Advise on statistics and cost accounting</p>	<ul style="list-style-type: none"> • Port Development Experts • Cargo Handling Equipment Experts • Financial and Accounting Expert 	<p>205.1: to Jan 31, 98 205.2: Jan. 98 205.3: Nov. 97 - Jan. 98</p>	<ul style="list-style-type: none"> • input from GTZ/HPC • input from USAID • input from 201

Table 1.5a: Working Plan for the Feasibility Study of the Ports of Poti and Batumi

Outputs/Activities	Responsibility	Timeframe/ Milestones	Remarks
<p>206 Port Marketing is Improved</p> <p>206.1 Identify the ports' customers</p> <p>206.2 Prepare a marketing plan</p>	<ul style="list-style-type: none"> • Port Development Expert • HRD Expert • Local Marketing and Business Development Expert 	<p>Nov. 97 - Jan. 98</p>	<ul style="list-style-type: none"> • refer to 101: results of the ports and customer visits' questionnaires serve as a basis for definition of efficient marketing activities
<p>207 Possible Options to Introduce and Facilitate the Entry of Private Investment in Parts of the Envisaged Port Infrastructure Development are Assessed</p> <p>207.1 Recommend private sector involvement</p> <p>207.2 Identify the success factors and barriers for the assessment of the options for privatisation</p> <p>207.3 Identify and project potential private sector investment projects for both ports</p> <p>207.4 Validate the project for the defined private sector investments</p> <p>207.5 Assess the best fitting privatisation projects</p> <p>207.6 Mobilise investors</p>	<ul style="list-style-type: none"> • 207.1.-207.7: Port Development Experts • Port Management • 207.2.-207.7: Privatisation Expert • Port Management 	<p>preliminary results from Phase 1</p> <p>Nov. 97 - Jan. 98</p>	<ul style="list-style-type: none"> • refer to: <ul style="list-style-type: none"> • GTZ/HPC study on privatisation • USAID study • Inputs from 201 • Co-operation with: <ul style="list-style-type: none"> • HPC • USAID
<p>208 Certain Factors in the Port Environment are Analysed</p> <p>208.1 Analyse customs procedures and other ancillary services</p> <p>208.2 Advise on Public participation</p>	<ul style="list-style-type: none"> • Port Development Experts • all other experts • Local Legal Expert 	<p>208.1.: Nov.97 - Jan. 98</p> <p>208.2.: Jan. 98</p>	<ul style="list-style-type: none"> • Conduct information meeting with local authorities
<p>209 An Environmental Impact Assessment of the Developments in the Ports and of Subsequent Operations is Prepared</p>		<p>Transferred to Phase 3</p>	

Table 1.5a: Working Plan for the Feasibility Study of the Ports of Poti and Batumi

Outputs/Activities	Responsibility	Timeframe/ Milestones	Remarks
209.1 Identify beneficial or adverse environmental impacts associated with both the construction and operational stages of the port facilities 209.2 Assess impacts on water quality 209.3 Assess air quality and noise impacts 209.4 Assess any socio-economic impacts 209.5 Propose alternatives and mitigating measures	<ul style="list-style-type: none"> Environmental Expert 		
Phase 3 Preliminary Design and Outline for Tender Documents		March 8 - May 10	
301 Preliminary Engineering Designs and Outline Specifications for the Principal Components of the first Phase of Recommended Development are Prepared 301.1 Prepare preliminary design 301.2 Prepare drawings and specifications 301.3 Decide about surveys 301.4 Compile Design Report	<ul style="list-style-type: none"> Civil Engineer Local Cost Engineer 	Nov. 97 Jan. 98 drawing / report until May 1	<ul style="list-style-type: none"> Inputs from: <ul style="list-style-type: none"> Cargo handling equipment engineer Environmental Expert Port Development Experts refer to 107 (for topographical survey)
302 Preliminary Engineering Designs for Equipment Rehabilitation and Outline Specifications for New Cargo Handling Equipment are Prepared 302.1 Prepare outline specifications for cargo handling equipment 302.2 Produce preliminary design specifications for equipment rehabilitation 302.3 Develop financial requirements for repairs, improvements and maintenance	<ul style="list-style-type: none"> Cargo Handling Equipment Expert Procurement Expert 	report until April 20	

Table 1.5a: Working Plan for the Feasibility Study of the Ports of Poti and Batumi

Outputs/Activities	Responsibility	Timeframe/ Milestones	Remarks
<p>303</p> <p>Assessment of the Beneficiary's credit worthiness for a possible Bank loan and of possible other project finance arrangements by private investors.</p> <p>Analyse the financial position of the port Develop financial projections Advise on a tariff structure for the ports' services Proposed statistical information system</p>	<ul style="list-style-type: none"> • 301.3 and 303.2: Financial Analyst • 303.3: Port Development Expert Batumi • 303.4: Finance and Accounting Expert 	303.1. and 303.2: until April 20 303.3.: until March 31 303.4.: until May 1	<ul style="list-style-type: none"> • refer to results from Phase 1 and 2 • link with GTZ/HPC project • close co-operation with HPC
<p>304</p> <p>An Efficient Organisational Structure as well as Training Programmes are Proposed</p> <p>Set up an efficient organisational structure Design training programmes</p>	<ul style="list-style-type: none"> • Port Development Experts • HRD Expert 	until May 1	<p>see 3.5 for possible changes</p>
<p>305</p> <p>Legal documentation for private investments by concessions is prepared</p> <p>Establish the present legal status of the ports Prepare legal documents Advise on the possible future legal status of the ports Facilitate discussions with concerned parties on the future legal status of the ports</p>	<ul style="list-style-type: none"> • Legal Expert • Local Legal Expert • Local Business Planning Expert 	until May 1	<ul style="list-style-type: none"> • close co-operation with GTZ project • consider results of USAID

Table 1.5a: Working Plan for the Feasibility Study of the Ports of Poti and Batumi

Outputs/Activities	Responsibility	Timeframe/ Milestones	Remarks
<p>306 Should the preceding work indicate the need and opportunity for a private sector investor and recommend his selection by tender process, the Consultant will prepare tender documentation for the selection of a private partner and assist in tender process finalisation</p> <p>306.1 Prepare documentation for the decision to tender</p> <p>306.2 Prepare tender documents and other documentation for negotiations with private investors</p> <p>306.3 Assist in tender process finalisation</p>	<ul style="list-style-type: none"> • Port Development Expert • Privatisation Expert • Ports Management • Local Legal Expert 	<p>until May 1</p>	
<p>Phase 4: Detailed Design and Production of Tender Documents</p> <p>401 Tender Documents for the Development Project are Prepared</p> <p>401.1 Prepare tender documents</p> <p>402 Assistance in Procurement is Given</p> <p>402.1 Assist in tendering procedures</p> <p>402.2 Assist in the evaluation process</p> <p>402.3 Establish an investment project co-ordination unit</p> <p>402.4 Monitor budget compliance of investment projects</p>		<p>June 6 - July 17, 1998</p>	<ul style="list-style-type: none"> • activities to be planned according to results of Phase 1-3 • activities to be planned according to results of Phase 1-3