



Feasibility Study of New  
Terminal Facilities in the  
Georgian Ports

Project Progress Report N°2  
June 1998

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**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 : June 1998  
Reporting period : Project Progress Report N° 2  
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)
<b>Wider Objectives :</b>	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 is fostered and regular, reliable shipping links between the Traceca countries and the world markets are promoted.
<b>Specific Project Objectives :</b>	<ul style="list-style-type: none"> <li>- 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 as well as the Traceca routes and with special regard to the development of container traffic are given.</li> <li>- 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 is elaborated.</li> </ul>
<b>Planned outputs :</b>	<ol style="list-style-type: none"> <li>1. Phase <ul style="list-style-type: none"> <li>• Existing facilities and conditions in the ports of Poti and Batumi are reviewed</li> <li>• A traffic forecast for both ports is elaborated</li> <li>• A possible establishment of cotton handling and storage facilities in one port is investigated</li> <li>• An outline definition of the future requirements of the ports is elaborated</li> <li>• An environmental impact assessment is prepared</li> </ul> </li> <li>2. Phase <ul style="list-style-type: none"> <li>• A physical port master plan for each port is prepared</li> <li>• A phased investment plan is elaborated</li> <li>• A financial and economic analysis of the ports is developed</li> <li>• The organisation and the management structure are assessed</li> </ul> </li> <li>3. Phase <ul style="list-style-type: none"> <li>• Preliminary designs and outline specifications for the identified selected developments are prepared</li> <li>• Advice on tariffs, fees and rental charges is given</li> </ul> </li> <li>4. Phase <ul style="list-style-type: none"> <li>• Detailed design of the proposed first phase developments are elaborated</li> <li>• Tender documents are produced</li> <li>• Advice on and assistance in tendering, bid evaluation and contracting/purchasing procedures is given</li> </ul> </li> </ol>

**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 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 Impact 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. Proposes 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 this 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 Summary of Project Progress since the Start

During the reporting period January to June 1998 the Consultants developed port master plans for the ports of Poti and Batumi. Based on the data collected in Phase 1 of the project, a traffic forecast for the two ports was elaborated.

On the basis of the forecasted traffic volumes an operations concept for the ports was developed, taking into consideration the existing facilities as well as the forecasted modal split of the expected cargo. Furthermore, the Consultants evaluated the existing equipment and port facilities and elaborated a phased port development concept for the next 15 years.

Meanwhile the Phase 2 and the Phase 3 Reports have been submitted.

The phase 2 report contained:

- An update of the preliminary traffic forecast which was included in Phase 1 Report
- An environmental impact analysis of the planned port development
- Proposal on improvement of management structures of the ports and analysis of the financial reporting procedures
- An analysis of the rail and road connections of the two ports
- A port master plan for the two ports, on the basis of a phased development
- An assessment of the needs for equipment rehabilitation as well as needs for new equipment
- Civil engineering aspects of the proposed port development as there are port reconstruction and extension of existing port terminals and facilities
- A feasibility calculation of the planned investments

The phase 2 report has been submitted simultaneously in English and Russian in February 1998.

After the completion of Phase 2 of the project a workshop in the form of an information market has been conducted in order to familiarise all parties involved, as there are

- The Ministry of Transport of Georgia
- The Ports of Poti and Batumi
- The Authorities of Adjara
- Representatives of the EC
- Representatives from Traceca

with the outcome of the Feasibility Study. (See Annex 1)

Additionally to the familiarisation with the project results the workshop gave the parties involved chance to discuss the results and conclusions reached so far and develop a common understanding of the port development plans and to give additional input for the further work of the Consultants.

The workshop raised great interest in the Georgian public and thus helped to spread information about the ports and their present and possible future position to the public.

The workshop has been conducted in Kobuleti in the Hotel Iveria, in order to ensure undisturbed presence of the participants.

After the workshop the elaboration of the Phase 3 Report of the project started.

The Phase 3 Report contained the following:

- A simulation of the expected cargo flows to and from the Traceca region and the Georgian ports
- Specifications of the required new port cargo handling equipment for the ports of Poti and Batumi
- Definition of the functional requirements of the ports under civil engineering aspects and preliminary designs
- Investment costs and an economic and financial impact analysis of the proposed investment of the ports

The Phase 3 Report has been submitted simultaneously in English and Russian in May 1998.

Furthermore, a Manpower Audit of the top management levels of the ports of Poti and Batumi has been conducted and the results have been presented at the same time as the Phase 3 Report of the Port Master Plan Study.

Besides the work on the Phase 3 Report a study tour to Western European ports took place. The tour was conducted for participants from the commercial and the economical departments of the two ports. It took place in the last two weeks of May. This second study tour was followed by a third one, which was carried out for participants mainly from the operations departments of the ports. In contrast to the first study tour where a representative of the Ministry of Transport participated, in the last two seminars only participants from the ports were invited. Reports on the study tours are attached Annexes 2 and 3 of this report.

Additionally, substantial technical assistance has been given to the port management of Poti concerning different privatisation plans developed by companies and other institutions outside the port. Also, in addition to the work on the feasibility study, advice on port policy and daily port management has been given to the General Manager of the Port of Poti.

As already mentioned in the previous reports, a lot of time and efforts had to be spent in order to co-ordinate the output of the projects financed by other agencies with the present Traceca project. This led to the fact that in addition to the elaboration of the feasibility study practical technical assistance has been given to the port managements, especially in Poti. This technical assistance concerns mainly the privatisation and commercialisation plans for the port of Poti.

Regarding the possibilities for privatisation great public interest on all political levels up to the President of Georgia, Mr. Shevardnadze, occurred. Due to this fact the Consultants developed a privatisation scheme for individual units of the port and presented it on various occasions, once even directly to the President of Georgia.



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

During the remainder of the project, in Phase 4, the privatisation plans drafted in Phase 3 will be further developed. Depending on the decision making process in Georgia, the plans will be finalised as far as possible. On the basis of the proposal for privatisation of individual units of the port of Poti, first negotiations with potential investors have been carried out and will be continued during this phase. For results please see Phase 4 Report, which is due in July 1998.

Since in Batumi so far no decisions concerning potential privatisation have been taken, the search for investors is being limited to the port of Poti.

Except of pushing the privatisation process in Poti, tender documents for the first development steps in both ports are being elaborated during this last phase of the project.

## 4 Project Progress in the Reporting Period

In general it can be said, that the port managements in both ports have been helpful in providing data for the work of the Consultants. A good co-operation between port managements and Consultants led to satisfactory results. In this respect the work of the Consultants experienced no delays or hindrances. Also, considering the co-operation with the Consultants from the HPC team working for the GTZ project, a good relationship, resulting in exchange of findings and outputs could be achieved.

Some problems occurred in the course of the work in this reporting period due to the fact that the approach and the objectives of the USAID team, elaborating a privatisation plan for the Port of Poti, appeared to be different to the work of the present Traceca project. These disagreements between the two privatisation plans of the port of Poti led to partly massive interventions from the side of the USAID team and some effort had to be spent in order to “defend” the European privatisation concept. In several public meetings the privatisation concept was presented in order to clear the position of the different sides.

- Presentation of the Project Status in a Parliament Committee in Tbilisi
- Participation in an information meeting in the European Commission's Delegation office together with the Ambassadors of the European Member States.
- Participation in a meeting with the Georgian Ministers of Transport, Finance, State Property, Economy and the Personal Adviser of the President together with the First Secretary of the European Commission's Delegation and the Ambassadors of the European Union's Member States.
- Personal introduction of the project to the City Mayor of Poti
- Personal introduction of the privatisation concept (preliminary form) to the President of Georgia

Various on spot interviews were given to international newspapers on request of the beneficiary and various recommendation had been made to proposals the port management had received.

These defences against other parties proofed to be rather time and energy consuming, but led to a satisfactory result.

In order to further push the privatisation process, decisions or clarifications are required from the Georgian government, regarding especially the question of responsibility of the port managers, ownership and legal status of the port. It seems to be not entirely clearly defined who and which institution is in charge of developing commercialisation or privatisation concepts for the ports and for deciding on them.

In Batumi the legal status of the Port has been changed to “State Municipality Port”. According to the port management the change is legally effective. The port has with this transformation achieved the role of a landlord and owner of the port with all its property. Privatisation of the port is not on the agenda for the time being. Privatisation of parts of the port has been excluded from the plans, due to the small size of the port.

## 4.1 Prepare Phased Development Plans for the Ports of Poti and Batumi

After having carried out an assessment of the existing facilities in both ports and carefully considered the projected traffic volumes the Consultants have elaborated Port Master Plans with a phased development concept.

In terms of the general national arrangements, the Experts are proposing changes from being subordinate ports, following instructions of a central government, which was the system used in the FSU. This change would entail to transform the Georgian ports into independent economic entities.

The Port Master Plan elements provide general information about the future development of the Georgian ports and how to cope with the forecasted traffic volumes. These elements do not deal with detailed plans for new facilities but do provide the general framework. Hereby national and regional aspects have been considered. It has been observed, that all factors, which might have an impact on the general development of a national port-scheme have been incorporated into the planning process.

After the elements which would govern the Port Master Plan had been identified, the decisions for new facilities were made in turn. These decisions were based on a comprehensive traffic forecast for the period under planning. The proposed development projects were reached in close co-operation and with the agreement of the port managements of both ports.

Based on the evaluation of the existing equipment in both ports a summary of the rehabilitation cost have been made. The rehabilitation measures are specified for the port handling equipment according to the phases and measures for individual berths for both ports. In addition, required handling equipment for the different phases of the development for the two ports are specified. Also for the two ports separately the rehabilitation measures are specified by type of equipment. The rehabilitation costs and the investment cost for the new cargo handling equipment are also outlined for the two ports separately.

The equipment considered to be necessary to fulfil the future needs of the ports in accordance with the port development plans is specified in technical specifications. The equipment required for the first development phase as well as for the future development plans have been specified for both ports separately. Additionally, the requirements for the rehabilitation of port handling equipment have been defined. For details please see Volume 3 of Phase 3 Report.

Apart from operational and equipment requirements the Consultants analysed the existing port infrastructure and proposed future development steps for the ports. They took into consideration rehabilitation and reconstruction opportunities as well as the necessity for port extension. For details please see Volume 4 of Phase 3 Report.

## 4.2 Elaborate an Economic and Financial Impact Analysis of the Proposed Development Plans for the two Ports

The financial plan and the cash flow analysis are based on the traffic forecast and the master plan. Many discussions with the port management took place to get the relevant input data about the present situation

and the expected development. Further, the expected proceeds and costs have been carefully reviewed and integrated into the calculations.

For both ports the expected financial situations have been calculated individually. Different scenarios for cases with the financing of necessary infrastructure investments, e.g. the new construction of a break water in Poti.

Also, a cost benefit analysis of the proposed investments has been carried out. The European point of view depicting the European networks of all transport modes has been considered in the calculation of the benefits resulting from changes in the transport volume in seven routes connecting the TEN with the TRACECA-Routes

As a conclusion of the cost benefit analysis the rehabilitation and extension of the Ports of Poti and Batumi result in remarkable benefits. On the basis of the cost/benefit analysis the realisation of the masterplans can be recommended.

For details concerning 4.2 please see Volume 6 of the Phase 3 Report.

### 4.3 Assess the Capability of Staff

As mentioned above, data for a manpower audit have been collected and evaluated. A separate report on the management staff of Poti and Batumi has been delivered together with Phase 3 Report.

### 4.4 Recommend Improvements in Ports Management and Structures

An assessment of the management procedures in the ports of Poti and Batumi has been carried out and its results are included in Vol.3 of the Phase 2 report. The output of the GTZ project proved to be very valid for the present feasibility study. Results of this work have been incorporated into the Phase 2 report.

Recommendations on organisation and especially on the marketing function have been given and discussed with the ports.

### 4.5 Elaborate Privatisation Concept

In the project special emphasis has been laid on the elaboration of a realistic privatisation concept for the two ports. As mentioned above, in the Port of Batumi, so far no activities in the direction of privatisation are taking place. Therefore, the Consultants have concentrated on the options for privatisation in Poti.

A concept has been elaborated which proposed the step by step privatisation of individual port units and does not focus on the privatisation of the whole port as one. This concept has repeatedly been presented and discussed within Georgia with the authorities as well as with banks and potential investors.

The privatisation proposes the attraction of several smaller investors, which can acquire shares in the unit of the Port of Poti to be privatised first. The unit to be privatised first is the container terminal together with RoRo operations. This unit can be separated without interference with the other port units and can be operated profitably. This concept, which foresees a distribution of 49% of the shares to foreign private investors and

49% to the port of Poti and 2% to a private Georgian entity, has found the appreciation of numerous potential investors, which have been approached, in the region as well as in Europe. Also the local branch of the EBRD has expressed interest in this concept.

Presently, draft contracts for a shareholding concept for the part of the port of Poti which is proposed to be privatised are being prepared.

## 4.6 Prepare an Environmental Impact Assessment of the Developments in the Ports and of Subsequent Operations

During the first phase of the present project data collection for an environmental assessment took place. During the elaboration of the port master plans and the phased port development, the environmental expert was closely involved.

According to the Terms of Reference a data collection regarding the existing environmental situation in the ports and the legal requirement on the environmental sector has been carried out. In phase 2 of the Feasibility Study the proposed future development plans and their environmental impact have been analysed. The results of the environmental impact analysis are documented in Vol. 5 of the Phase 2 report.

## 4.7 Conduct Study Tours

During the reporting period one study tour for senior managers from the Ports of Poti and Batumi has been conducted. The tour for senior managers from the commercial and economical departments took place from 18 to 29 May 1998.

The course aimed at giving the participants insight into modern and efficient port management and operations procedures. Within the course lectures were combined with practical visits of different locations, thus the participants received some background information and had at the same time the opportunity to discuss practical problems with terminal and department managers.

A report on the study tour is attached to the present report.

## 5 Project Planning for the Next Period

During the last phase of the project on the one hand the privatisation concept will be finalised and pushed, on the other hand tender documents for the infrastructure investments will be elaborated. Furthermore, a final version of the cost benefit analysis will be provided in Phase 4 Report.

Initially it was foreseen to give assistance in procurement to the two ports. During the project period the ports will procure neither equipment nor infrastructure investment. Therefore, instead of assisting in procurement procedures, the Consultants concentrated on assistance in the privatisation process and on giving advice concerning several proposals from other companies and consultants concerning the selling or privatisation of port assets.

Phase 4 Report is expected to be delivered by mid July 1998. The Consultants expect to finalise the project in time.

The tasks in the work plan included in the inception report are basically completed.



## FORM 2.2: PROJECT PROGRESS REPORT

Project title : <b>Feasibility Study of New Terminal Facilities in the Georgian Ports</b>		Project number : <b>TNREG 9603</b>		Country : <b>Georgia</b>		Page :										
0		Prepared on : <b>10 June 1998</b>		EC Consultant: <b>HPTI-Dornier-RMG Consortium.</b>												
Project objectives :																
No	ACTIVITIES IMPLEMENTED	TIME FRAME							INPUTS			EQUIPMENT AND MATERIAL	OTHER			
		1998							PERSONNEL		TOTAL					
Time Frame (months)		1	2	3	4	5	6	7	Planned	Used		Planned	Used	TOTAL	TOTAL	TOTAL
		xxxx	xxx		xxxx	xx	xxx	xxx	851	851	63	63	2182			
1.	Phase 1: Review and Forecasting (1997)								704	680	65	65	Office equipment: 2 fax, 2 phone, e-mail 4 computer, 2 copier, 4 A4 printer, 2 A3 printer, 2 project cars	Flights Europe - Georgia Flights NIS Flights Brussel		
2.	Phase 2: Port Master Planning								542	492	60	50				
3.	Phase 3: Preliminary Design and Outline Specifications for Tender Documents		xx	xxxx	xx				325	159	30	150	2 Moderation Boards Workshop materials	3 Study Tours for port man- agements		
4.	Phase 4: Detailed Design and Production of Tender Documents															
									<b>TOTAL</b> 2422 Days	<b>TOTAL</b> 2182 Days	<b>TOTAL</b> 218 days	<b>TOTAL</b> 193 days		<b>TOTAL</b> 40flights +13 NIS Flights +21 Study Tour flights		

## FORM 2.3: RESOURCE UTILISATION REPORT

Project Title: Feasibility Study of New Terminal Facilities in the Georgian Ports		Project Number: TNREG9603	Country: Georgia	Page: 2.3 / 1	
Period: 17.07.97 - 10.06.98		Prepared on 10 June 1998			
Project Objectives: 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 is fostered and elsewhere and regular, reliable shipping links between the Traceca countries and the world markets are promoted					
RESOURCES/INPUTS	TOTAL PLANNED	PERIOD PLANNED	PERIOD REALISED	TOTAL REALISED	AVAILABLE FOR REMAINDER
<b>PERSONNEL</b>					
Port Development Expert 1	221 days	62 days	62 days	221 days	0 days
Port Development Expert 2	173 days	35 days	35 days	178 days	0 days
Port + Shipping Economist	92 days	25 days	20 days	87 days	5 days
Transport Economist	102 days	0 days	0 days	102 days	0
Cargo Handling Equipm. Ex.	87 days	45 days	45 days	87 days	0 days
Procurement Expert	25 days	0	0	0	25 days
Environmental Expert	70 days	15 days	15 days	70 days	0 days
Financial Analyst	98 days	55 days	55 days	83 days	7 days
Financial + Accounting Exp.	70 days	44 days	44 days	44 days	26 days
Privatisation Expert	62 days	62	84 days	84 days	-22 days
Legal Expert	56 days	40	38 days	38 days	18 days
Railway Expert	28 days	28 days	28 days	28 days	0
Human Resources Expert	14 days	14 days	14 days	14 days	0
LogFrame Moderator	21 days	6 days	5 days	16 days	5 days
Civil Engineer 1	225 days	77 days	77 days	136 days	89 days
Civil Engineer 2	111 days	76 days	76 days	94 days	17 days
Study Tour Expert	55 days	20 days	20 days	42 days	13 days
Team Management	205 days	160 days	169 days	178 days	27 days
<b>Sub-total</b>	<b>1715 days</b>	<b>764 days</b>	<b>787 days</b>	<b>1502 days</b>	<b>210 days</b>
Local Experts	600 days	270 days	272 days	524 days	76 days
<b>Sub total</b>	<b>600 days</b>	<b>270 days</b>	<b>272 days</b>	<b>524 days</b>	<b>76 days</b>
Interpreter	875 days	315 days	315 days	875 days	0 days
Driver	528 days	210 days	212 days	408 days	120 days
Secretary	528 days	420 days	420 days	520 days	8 days
<b>Sub-total</b>	<b>1931 days</b>	<b>945 days</b>	<b>947 days</b>	<b>1803 days</b>	<b>128 days</b>
<b>TOTAL</b>	<b>4486 days</b>	<b>1979 days</b>	<b>2006 days</b>	<b>3829 days</b>	<b>414 days</b>





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Project Title: Feasibility Study of New Terminal Facilities in the Georgian Ports		Project Number: TNRG9603		Country: Georgia		Page: 2.3 / 2	
Period: 17.07.97 - 10.06.98		Prepared on 10 June 1998		EC Consultant: HPTI-Dornier-RMG Consortium			
Project Objectives: 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 is fostered and elsewhere and regular, reliable shipping links between the Traceca countries and the world markets are promoted							
RESOURCES/INPUTS		TOTAL PLANNED		PERIOD PLANNED		TOTAL REALISED	
EQUIPMENT + MATERIAL		PERIOD REALISED		AVAILABLE FOR REMAINDER			
Personal Computer	4 PCs	4 PCs	4 PCs	4 PCs	4 PCs	0	
Laser Printer	2 Laser Printer	2 Laser Printer	2 Laser Printer	2 Laser Printer	2 Laser Printer	0	
Ink Jet Printer	4 Ink Jets	4 Ink Jets	4 Ink Jets	4 Ink Jets	4 Ink Jets	0	
Fax machine	2 Fax machines	2 Fax machines	2 Fax machines	2 Fax machines	2 Fax machines	0	
Photocopy machine	2 Photocopy machines	2 Photocopy machines	2 Photocopy machines	2 Photocopy machines	2 Photocopy machines	0	
Project car	2 Project cars	2 Project cars	2 Project cars	2 Project cars	2 Project cars	0	
Metaplan moderation boards	8 moderation boards	8 moderation boards	8 moderation boards	8 moderation boards	8 moderation boards	0	
Moderation material	1 set of moderation material	1 set of moderation material	1 set of moderation material	1 set of moderation material	1 set of moderation material	0	



**FORM 2.4: OUTPUT PERFORMANCE PLAN**

Project title : Feasibility Study of New Terminal Facilities in the Georgian Ports		Project number : TNREG9603	Country : Georgia	Page: 2.4 / 1
Prepared on : 10 June 1998		EC Consultant : HPTI-Dornier-RMG Consortium		
Output results	Deviation Original Plan + or - %	Reason Deviation	Constrains, Remarks and Assumptions C/A	
<b>Phase 1</b>				
0. Conduct traffic potential study for rail ferry terminal and prepare tender documents	0		<b>For Phase 1</b>	
1. Trade, Shipping and Ports in the Black Sea are Reviewed	0		<ul style="list-style-type: none"> <li>• Port management agrees on work plan</li> </ul>	
2. An Improved Traffic Forecast is Available.	0		<ul style="list-style-type: none"> <li>• Recruit local experts</li> </ul>	
3. Containerisation and Unitisation Potentials are identified	0		<ul style="list-style-type: none"> <li>• Arrange set up of the team on location</li> </ul>	
4. Transport Connections and Opportunities are Investigated and The Most Viable Route Connections between TRACECA and the TEN is Recommended	0		<ul style="list-style-type: none"> <li>• Make available all relevant reports</li> </ul>	
5. The Present Facilities are Reviewed under Civil Engineering Aspects	0		(For details compare Table 1.5a)	
6. The Present Facilities are Reviewed under Mechanical Engineering Aspects	0			
6 A The Present Facilities are Reviewed under Railway Engineering Aspects	0			
7. The Capability of Staff is Assessed	0			
8. Commentaries on Financial Reporting Procedures are given	0			
9. Proposals for the Development of Cotton Storage Facilities are Made	0			
10. The Functional Requirements of the Port are Defined	0			
11. The Data for the Preparation of an Outline for an Environmental impact analysis are Collected	0			



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Prepared on : 10 June 1998		EC Consultant : HPTI-Dornier-RMG Consortium		
Output results	Deviation Original Plan + or - %	Reason for Deviation	Constrains, Remarks and Assump- tions C/A	
<b>Phase 2</b>				
1. The Master Plans for the two Ports are Prepared	0			<b>For Phase 2</b> <ul style="list-style-type: none"> <li>Port management and other relevant authorities accept the proposed concept of the port master plans</li> </ul> (For details compare Table 1.5a)
2. A Phased Development Plan is Specified	0			
3. Cash Flow Forecasts for the priority Investments are Prepared	0			
4. Economic and Financial Analysis of the Recommended Development is Performed	0			
5. Improvements in management structures and systems are recommended	0	Co-operation with the experts of the GTZ project, who are currently implementing a new structure		
6. Port Marketing is Improved	0	Co-operation with GTZ team		
7. Possible Options to Introduce and Facilitate the Entry of Private Investment in Parts of the Envisaged Port Infrastructure Development are Assessed	0	Evaluating, recommending and assisting port management in simultaneously running projects, feasibility studies or commercial interests		
8. Certain Factors in the Port Environment are Analysed	0			
9. An Environmental Impact Assessment of the Developments in the Ports and of Subsequent Operations is Prepared	0			



Feasibility Study of New Terminal Facilities in the Georgian Ports  
Project Progress Report N° 2

Project title : Feasibility Study of New Terminal Facilities in the Georgian Ports Prepared on 10 June 1998		Project number : TNREG9603	Country : Georgia	Page : 2.4 / 3
		EC Consultant : HPTI-Dornier-RMG Consortium		
Output results	Deviation Original Plan + or - %	Reason for Deviation	Constrains, Remarks and Assump- tions C/A	
<p><b>Phase 3</b></p> <p>1. Preliminary Engineering Designs and Outline Specifications for the Principal Components of the first Phase of Recommended Development are Prepared</p> <p>2. Preliminary Engineering Designs for Equipment Rehabilitation and Outline Specifications for New Cargo Handling Equipment are Prepared</p> <p>3. Assessment of the Beneficiary's credit worthiness for a possible Bank loan and of possible other project finance arrangements by private investors</p> <p>4. An Efficient Organisational Structure as well as Training Programmes are Proposed</p> <p>5. Legal documentation for private investments by concessions is prepared</p> <p>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> <p><b>Phase 4</b></p> <p>1. Tender Documents for the Development Project are Prepared</p> <p>2. Assistance in Procurement is Given</p>	<p>0</p> <p>0</p> <p>0</p> <p>0</p> <p>-10%</p> <p>0</p> <p>0</p> <p>0</p> <p>-</p>	<p>Close co-operation with experts from GTZ project</p> <p>Slow decision taking process in Georgia</p> <p>Legal documentation for draft contracts for private investment is being prepared</p> <p>No need for tendering the parts of the port which can be privatised</p> <p>Procurement will only start after finalisation of the project. Instead Technical Assistance has been given to the port management in the privatisation question. Documents for possible procurement are being prepared</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 : 30.01. - 17.07.1998		Prepared on : 10 June 1998						EC Consultant : HPTI-Dornier-RMG Consortium.									
Project objectives : 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 is fostered and elsewhere and regular, reliable shipping links between the Traceca countries and the world markets are promoted																	
TIME FRAME																	
1997/1998 (months)																	
No	ACTIVITIES	July	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	April	May	June	EC Consultant planned	Counterpart	EQUIPMENT AND MATERIAL	OTHER
Phase I																	
3	An Improved Traffic Forecast is Available							xx						14 weeks		Project Total	
4	Containerisation and Unitisation Potentials are identified							x						2 weeks		4 PC	
5	Transport Connections and Opportunities are Investigated and The Most Viable Route Connections between TRACECA and the TEN is Recommended							x	xx					5 weeks		2 Laser Printer	
11	The Functional Requirements of the Port are Defined								xx					10 weeks		2 A3 Colour Printer	
Phase II																	
1	The Master Plans for the two Ports are Prepared					x	xx	xxx	x					18 weeks			
2	A Phased Development Plan is Specified						xx	xxx	x					6 weeks			
3	Cash Flow Forecasts for the priority Investments are Prepared			x			xx	xxx	x					6 weeks			
4	Economic and Financial Analysis of the Recommended Development is Performed			x			xx	xxx	x					6 weeks			
5	Improvements in management structures and systems are recommended					x	xx	xxx	x					7 weeks			
6	Port Marketing is Improved						xx	xxx	x					5 weeks			
7	Possible Options to Introduce and Facilitate the Entry of Private Investment in Parts of the Envisaged Port Infrastructure Development are Assessed			x			xx	xxx	x					6 weeks			

ACTIVITIES	July	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	April	May	June	Jul	EC Consultant	Counterpart
8 Certain Factors in the Port Environment are Analysed					x	xx	xxx	x					4 weeks		
9 An Environmental Impact Assessment of the Developments in the Ports and of Subsequent Operations is Prepared							xxx	x					5 weeks		
III Preliminary Engineering Designs and Outline Specifications for the Principal Components of the first Phase of Recommended Development are Prepared									xx	xxxx	xx			22 weeks	
1 Preliminary Engineering Designs for Equipment Rehabilitation and Outline Specifications for New Cargo Handling Equipment are Prepared									xx	xxxx				5 weeks	
2 Assessment of the Beneficiary's credit worthiness for a possible Bank loan and of possible other project finance arrangements by private investors									xx	xxxx	xx			5 weeks	
3 An Efficient Organisational Structure as well as Training Programmes are Proposed									xx	xxxx	xx			16 weeks	
4 Legal documentation for private investments by concessions is prepared									xx	xxxx	xx			15 weeks	
5 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									xx	xxxx	xxxx			6 weeks	
IV Tender Documents for the Development Project are Prepared												xxxx	xx	26 weeks	
2 Assistance in Procurement is Given												xxxx	xx	7 weeks	
														246 weeks	
															TOTAL

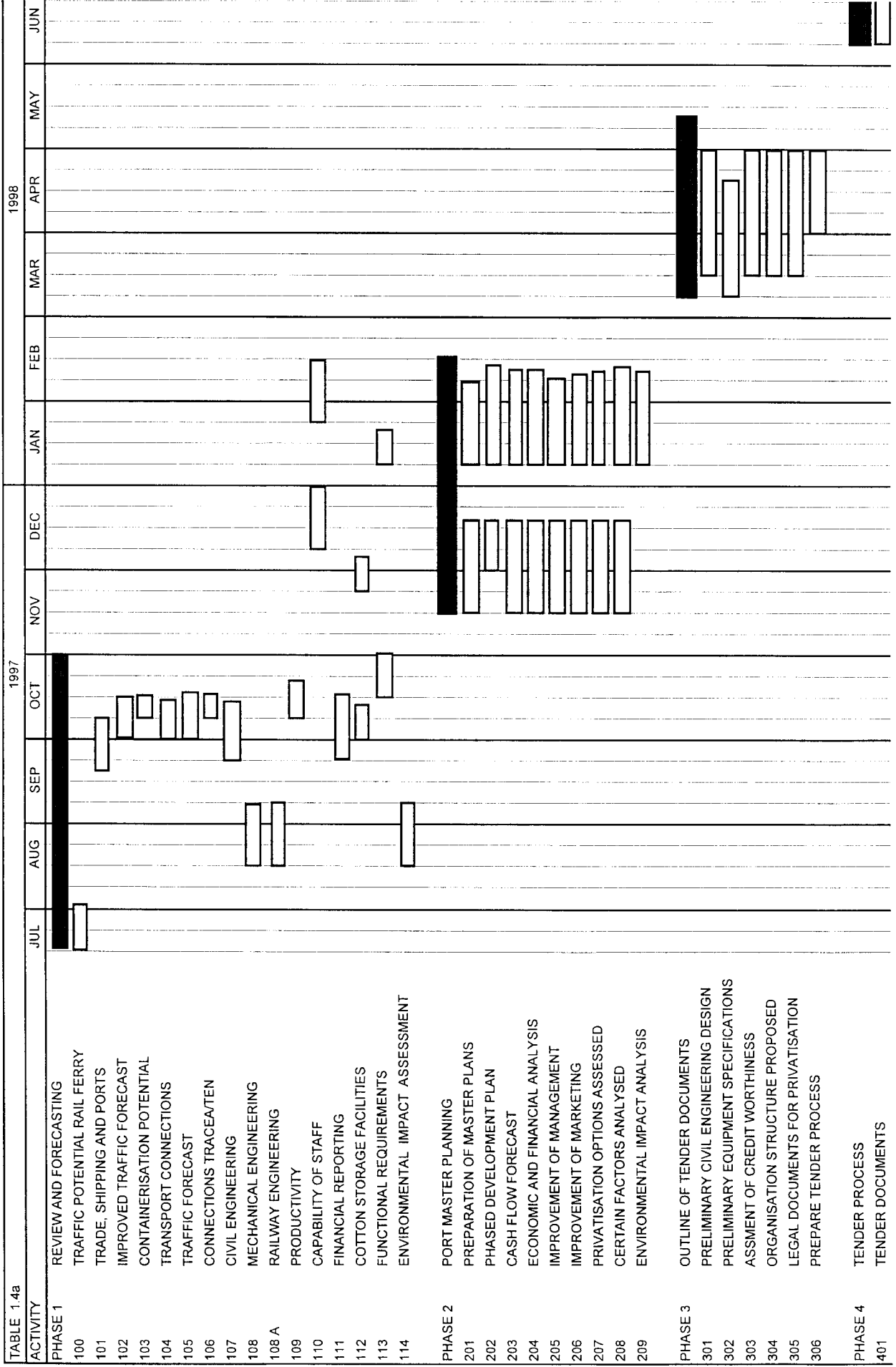


Table 1.5a: Working Plan for the Feasibility Study of the Ports of Poti and Batumi

Outputs/Activities	Responsibility	Timeframe/ Milestones	Remarks
<b>Table 5a: Working Plan</b>			
<b>Phase 1: Review and Forecasting</b>			
100	Traffic potential study for rail ferry terminal is prepared and tender documents elaborated	Completed	Aug. 6 -Oct. 31, 1997
101	Trade, Shipping and Ports in the Black Sea are Reviewed	completed October 1997	propose shortening of review phase (Nov.1 -Nov. 15)
101.1	Perform a review of previous studies, and of trade, shipping and ports in the Black Sea	completed	<ul style="list-style-type: none"> <li>Local Economist to be recruited</li> <li>team on location</li> <li>prepare questionnaires</li> <li>arrange translation</li> <li>make definite visit arrangements</li> <li>contact representatives in advance</li> <li>arrange visa</li> <li>include infos for act. 103 in the questionnaires and structured interview</li> </ul>
102.2	Interview representatives of the maritime industry of the Black Sea ring		
102.3	Validate findings and verify conditions by site visits to ports in the Black Sea		
102.4	Determine the competitive environment of the Georgian ports		
102	An Improved Traffic Forecast is Available	Phase 2 Report	
102.1	Analyse historical data	completed	<ul style="list-style-type: none"> <li>review World Bank Handbook</li> <li>deduct information from structured interviews</li> <li>update forecast in Phase 2</li> </ul>
102.2	Prepare an economic evaluation of the country		
102.3	Update the TRACECA traffic forecast		
102.4a	Development of structured questionnaire	completed	<ul style="list-style-type: none"> <li>receive input from 101</li> </ul>
102.4	Evaluate the country's natural (land and sea) hinterland and analyse economic activities as well as the transport systems there	completed	
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><b>103 Containerisation and Unitisation Potentials are identified</b></p> <p>103.1 Examine ferry facilities in other ports</p> <p>103.2 Determine traffic patterns for feeder and liner services</p> <p>103.3 Review availability of shipping</p> <p>103.4 Analyse container and unitisation potential of cargo</p>	<ul style="list-style-type: none"> <li>• Transport Economist</li> <li>• Port and Shipping Economist</li> <li>• Local Transport Specialist</li> </ul>	<p>Completed, final results in Phase 2 report</p>	<ul style="list-style-type: none"> <li>• Input: Outcome from 101.2, 101.3 &amp; 102.5</li> </ul>
<p><b>104 Transport Connections and Opportunities are Investigated</b></p> <p>104.1 Design the total unit cost structure for the different commodities</p> <p>104.2 Perform the cost simulation</p> <p>104.3 Evaluate the cost simulation results for the different commodities</p> <p>104.4 Recommend the most viable route connections between TRACECA and the TEN</p> <p>104.5 Identify alternative transport routes</p>	<ul style="list-style-type: none"> <li>• Transport Economist</li> <li>• Transport Simulation Expert</li> <li>• Local Economist</li> </ul>	<p>completed Final version in phase 2 report</p>	<ul style="list-style-type: none"> <li>• make a list of alternative routes</li> <li>• reference to</li> <li>• Baku study</li> <li>• simulation study</li> <li>• cargo potential study (rail ferry)</li> <li>• results of act. 106</li> <li>• TRACECA studies</li> </ul>
<p><b>105 Traffic Forecasts are Prepared</b></p> <p>105.1 Prepare short, medium and long-term forecasts</p> <p>105.2 Identify the cargo potential for each port</p>	<ul style="list-style-type: none"> <li>• Transport and Shipping Economist</li> </ul>	<p>completed, final version Phase 2 report</p>	<ul style="list-style-type: none"> <li>• Summary from activities 101-104</li> <li>• Results from activities 101-104</li> </ul>

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

Outputs/Activities	Responsibility	Timeframe/ Milestones	Remarks
<p>106 The Most Viable Route Connections between TRACECA and the TEN is Recommended</p> <p>106.1 Model the multimodal transport simulation model</p> <p>106.2 Collect and select data of representative relations and their volumes</p> <p>106.3 Simulate alternatives</p> <p>106.4 Evaluate simulation results</p> <p>106.5 Recommendations for the most viable route connections between TRACECA and the TEN</p>	<ul style="list-style-type: none"> <li>• Transport Economist (106.2-5)</li> <li>• Simulation Expert (106.1-4)</li> <li>• Transport and Shipping Economist (106.2)</li> <li>• Port Development Expert (106.2)</li> <li>• Local Economist (106.2)</li> </ul>	<p>complete version phase 3 report</p>	<ul style="list-style-type: none"> <li>• conduct 50 interviews with major forwarders</li> <li>• major shipping companies</li> <li>• major integration</li> <li>• reference to outcomes of 101.2 &amp; 3, 102.4 and 104.4, and custom records of shipping agencies</li> <li>• pre-model to be updated and finalised in Phase 2</li> <li>• preliminary comparison of alternatives - to be updated in Phase 2</li> </ul>
<p>107 The Present Facilities are Reviewed under Civil Engineering Aspects</p> <p>107.1 Prepare a topographical survey of the main parts of the ports</p> <p>107.2 Conduct a condition survey on civil installations and identify reasons for condition deficits</p> <p>107.3 Conduct topographical surveys of the ports</p> <p>107.4 Appraise the adequacy of the utilities</p> <p>107.5 Review the navigational conditions of the ports</p>	<ul style="list-style-type: none"> <li>• Civil Engineer</li> <li>• Local Civil Engineer</li> <li>• Chief Engineer</li> <li>• Head of Development</li> <li>• Harbour Master</li> </ul>	<p>Completed</p> <p>107.1 partly existing</p>	<ul style="list-style-type: none"> <li>• review existing topographical survey and verify it</li> </ul>

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

Outputs/Activities	Responsibility	Timeframe/ Milestones	Remarks
<p><b>108</b></p> <p><b>The Present Facilities are Reviewed under Mechanical Engineering Aspects</b></p> <p>108.1 Make an inventory of all cargo handling equipment and mechanical engineering installations of the ports</p> <p>108.2 Conduct a condition survey on cargo handling equipment and identify reasons for condition deficits</p> <p>108.3 Specify repairs and necessary improvements</p>	<ul style="list-style-type: none"> <li>• Cargo Handling Equipment Expert</li> </ul>	<p>Completed</p>	
<p><b>108.A</b></p> <p><b>The present facilities are reviewed under railway engineering aspects</b></p> <p>108.1 Make an inventory of all railway installations in both ports</p> <p>108.2 Identify reasons for conditions deficits</p> <p>108.3 Specify repairs and necessary improvements</p>	<ul style="list-style-type: none"> <li>• Railway Expert</li> </ul>	<p>Completed</p>	
<p><b>109</b></p> <p><b>The Productivity of the Port is Estimated</b></p> <p>109.1 Analyse the present port performance</p> <p>109.2 Estimate the productivity of the port</p>	<ul style="list-style-type: none"> <li>• Port Development Expert</li> <li>• Director of Operations</li> </ul>	<p>Completed</p>	<ul style="list-style-type: none"> <li>• Analyse results of the GTZ project concerning port performance</li> <li>• Give overview of existing reports to Finance and Accounting Expert</li> </ul>
<p><b>110 (new)</b></p> <p><b>The Capability of Staff is Assessed</b></p> <p>110.1 Conduct a manpower audit</p>	<ul style="list-style-type: none"> <li>• HRD Expert</li> <li>• Local Expert</li> </ul>	<p>Completed</p>	<ul style="list-style-type: none"> <li>• manpower audit for management level</li> <li>• refer to work of GTZ/HPC project</li> <li>• refer to work of USAID experts</li> <li>• provide information on organisation and staff to Financial and Accounting Expert</li> </ul>

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

Outputs/Activities	Responsibility	Timeframe/ Milestones	Remarks
<p><b>111</b> 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"> <li>• Financial and Accounting Expert</li> <li>• Local Accounting Expert</li> </ul>	Completed	<ul style="list-style-type: none"> <li>• Outputs:               <ul style="list-style-type: none"> <li>• Overview of existing reports and statistics</li> <li>• Overview of planning and control requirements</li> <li>• Overview of necessary changes</li> </ul> </li> <li>• close co-operation with GTZ/HPC project which takes care of this topic in detail -</li> <li>• recruit Local Finance Expert</li> </ul>
<p><b>112</b> Proposals for the Development of Cotton Storage Facilities are Made</p> <p>112.1 Review of Traceca Cotton Study</p> <p>112.2 Preparation of Project Information Memorandum</p> <p>112.3 Project Information Memorandum Advertising</p>	Port Development Expert Local Legal Expert	Completed	<ul style="list-style-type: none"> <li>• required:               <ul style="list-style-type: none"> <li>• infos on cotton trade</li> <li>• infos on requirements for cotton storage from Hamburg</li> <li>• infos from 101</li> </ul> </li> </ul>
<p><b>113</b> The Functional Requirements of the Port are Defined</p>	<ul style="list-style-type: none"> <li>• Port Development Expert</li> </ul>	Completed	<ul style="list-style-type: none"> <li>• infos from 101</li> <li>• start discussion on functional requirements</li> <li>• outline of operational methods and requirements for future development</li> </ul>
<p><b>114</b> The Data for the Preparation of an Outline for an Environmental impact analysis 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"> <li>• Environmental Expert</li> </ul>	Completed	

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

Outputs/Activities	Responsibility	Timeframe/ Milestones	Remarks
<p><b>Phase 2 Port Master Planning</b></p>		<p><b>Nov. 15 - Dec. 15 Jan 8 - Feb 15</b></p>	<p><b>propose to shorten of review phase for Phase 2 (Feb 15 - Mar 8, 1998)</b></p>
<p><b>201 The Master Plans for the two Ports are Prepared</b></p> <p>201.1 Recommend zoning for land use 201.2 Investigate access and circulation patterns for maritime, road and rail traffic 201.3 Specify locations and conceptual outlines of port facilities 201.4 Prepare land-use plan for shore line and other competing land uses 201.5 Prepare a work plan for continuous operations during construction 201.6 Investigate the installation of a wagon cleaning facility 201.7 Develop a strategy concerning port development</p>	<ul style="list-style-type: none"> <li>• Port Development Expert</li> <li>• Transport Economist</li> <li>• Port and Shipping Economist</li> <li>• Civil Engineer</li> <li>• Cargo Handling Equipment Expert</li> <li>• Port Development Department</li> <li>• Operations Department</li> <li>• Local Economist (1)</li> </ul>	<p>Completed</p> <p>Nov. 97- Jan. 98</p> <p>Report completed on 15 February, 98</p> <p>Strategy development started in Phase 1</p>	<ul style="list-style-type: none"> <li>• receive inputs from Phase 1</li> <li>• Define requirements for outside rail/road system</li> </ul>
<p><b>202 A Phased Development Plan is Specified</b></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"> <li>• Port Development Experts</li> <li>• Civil Engineer</li> <li>• Cargo Handling Equipment Expert</li> <li>• Financial Analyst</li> <li>• Local Costs Engineer (Estimator)</li> </ul>	<p><b>Completed</b></p> <p>Dec. 1-20 Jan 8- Feb 15</p>	<ul style="list-style-type: none"> <li>• parallel to 201</li> </ul>

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

Outputs/Activities	Responsibility	Timeframe/ Milestones	Remarks
<p><b>203</b> 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"> <li>• Financial Analyst</li> </ul>	<p>Completed Nov. 97-Apr. 98</p>	
<p><b>204</b> Economic and Financial Analysis of the Recommended Development is Performed</p>			
<p>204.1 Design cost/benefit and financial analysis</p>	<ul style="list-style-type: none"> <li>• Financial Analyst</li> </ul>	<p>Nov. 97 - May 98</p>	<ul style="list-style-type: none"> <li>• link up with Accounting Expert</li> </ul>
<p>204.2 Collection of Data</p>			
<p>204.3 Execute cost/benefit and financial analysis</p>			
<p>204.4 Evaluate the results and recommend further activities</p>			
<p><b>205</b> Improvements in management structures and systems are recommended</p>			
<p>205.1 Propose efficient port management organisational structures</p>	<ul style="list-style-type: none"> <li>• Port Development Experts</li> </ul>	<p>Completed</p>	<ul style="list-style-type: none"> <li>• input from GTZ/HPC</li> <li>• input from USAID</li> <li>• input from 201</li> </ul>
<p>205.2 Suggest a new organisation for maintenance and repair</p>	<ul style="list-style-type: none"> <li>• Cargo Handling Equipment Experts</li> </ul>	<p>205.1: to Jan 31, 98, structure developed by GTZ project being implemented</p>	
<p>205.3 Advise on statistics and cost accounting</p>	<ul style="list-style-type: none"> <li>• Financial and Accounting Expert</li> </ul>	<p>205.2: Feb. 98</p>	
		<p>205.3: Nov. 97 - Feb. 98</p>	
<p><b>206</b> Port Marketing is Improved</p>			
<p>206.1 Identify the ports' customers</p>	<ul style="list-style-type: none"> <li>• Port Development Expert</li> </ul>	<p>Completed Nov. 97 - Feb. 98</p>	<ul style="list-style-type: none"> <li>• refer to 101: results of the ports and customer visits' questionnaires serve as a basis for definition of efficient marketing activities</li> </ul>
<p>206.2 Prepare a marketing plan</p>	<ul style="list-style-type: none"> <li>• HRD Expert</li> <li>• Local Marketing and Business Development Expert</li> </ul>		

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

Outputs/Activities	Responsibility	Timeframe/ Milestones	Remarks
<p><b>207 Possible Options to Introduce and Facilitate the Entry of Private Investment in Parts of the Envisaged Port Infrastructure Development are Assessed</b></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"> <li>• 207.1.-207.7: Port Development Experts</li> <li>• Port Management</li> <li>• 207.2.-207.7.: Privatisation Expert</li> <li>• Port Management</li> </ul>	<p>Completed</p> <p>Nov. 97 – May 98</p>	<ul style="list-style-type: none"> <li>• refer to:</li> <li>• GTZ/HPC study on privatisation</li> <li>• USAID study</li> <li>• Inputs from 201</li> <li>• Co-operation with:</li> <li>• HPC</li> <li>• USAID</li> </ul>
<p><b>208 Certain Factors in the Port Environment are Analysed</b></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"> <li>• Port Development Experts</li> <li>• all other experts</li> <li>• Local Legal Expert</li> </ul>	<p>Completed</p> <p>208.1.: Nov.97 - Feb. 98</p> <p>208.2.: Feb. 98</p>	<ul style="list-style-type: none"> <li>• Conduct information meeting with local authorities</li> </ul>
<p><b>209 An Environmental Impact Assessment of the Developments in the Ports and of Subsequent Operations is Prepared</b></p> <p>209.1 Identify beneficial or adverse environmental impacts associated with both the construction and operational stages of the port facilities</p> <p>209.2 Assess impacts on water quality</p> <p>209.3 Assess air quality and noise impacts</p> <p>209.4 Assess any socio-economic impacts</p> <p>209.5 Propose alternatives and mitigating measures</p>	<ul style="list-style-type: none"> <li>• Environmental Expert</li> </ul>	<p>Completed</p>	

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

Outputs/Activities	Responsibility	Timeframe/ Milestones	Remarks
<p><b>Phase 3</b> <b>Preliminary Design and Outline for Tender Documents</b></p>		<b>March 8 - May 10</b>	
<p><b>301 Preliminary Engineering Designs and Outline Specifications for the Principal Components of the first Phase of Recommended Development are Prepared</b></p>		<b>Completed</b>	
<p>301.1 Prepare preliminary design</p>	<ul style="list-style-type: none"> <li>• Civil Engineer</li> </ul>	<p>Nov. 97 Jan. 98 drawing / report until May 1</p>	<ul style="list-style-type: none"> <li>• Inputs from:               <ul style="list-style-type: none"> <li>• Cargo handling equipment engineer</li> <li>• Environmental Expert</li> <li>• Port Development Experts</li> </ul> </li> <li>• refer to 107 (for topographical survey)</li> </ul>
<p>301.2 Prepare drawings and specifications</p>	<ul style="list-style-type: none"> <li>• Local Cost Engineer</li> </ul>		
<p>301.3 Decide about surveys</p>			
<p>301.4 Compile Design Report</p>			
<p><b>302 Preliminary Engineering Designs for Equipment Rehabilitation and Outline Specifications for New Cargo Handling Equipment are Prepared</b></p>		<b>Completed</b>	
<p>302.1 Prepare outline specifications for cargo handling equipment</p>	<ul style="list-style-type: none"> <li>• Cargo Handling Equipment Expert</li> </ul>	<p>report until May 98</p>	
<p>302.2 Produce preliminary design specifications for equipment rehabilitation</p>	<ul style="list-style-type: none"> <li>• Procurement Expert</li> </ul>		
<p>302.3 Develop financial requirements for repairs, improvements and maintenance</p>			



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

Outputs/Activities	Responsibility	Timeframe/ Milestones	Remarks
<p><b>303</b> Assessment of the Beneficiary's credit worthiness for a possible Bank loan and of possible other project finance arrangements by private investors.</p> <p>303.1 Analyse the financial position of the port            303.2 Develop financial projections            303.3 Advise on a tariff structure for the ports' services            303.4 Proposed statistical information system</p>	<ul style="list-style-type: none"> <li>• 301.3.and 303.2: Financial Analyst</li> <li>• 303.3.: Port Development Expert Batumi</li> <li>• 303.4.: Finance and Accounting Expert</li> </ul>	<p>Completed</p> <p>303.1. and 303.2: until April 20            303.3.: until March 31            303.4.: until May 1</p>	<ul style="list-style-type: none"> <li>• refer to results from Phase 1 and 2</li> <li>• link with GTZ/HPC project</li> <li>• close co-operation with HPC</li> </ul>
<p><b>304</b> An Efficient Organisational Structure as well as Training Programmes are Proposed</p> <p>304.1 Set up an efficient organisational structure            304.2 Design training programmes</p>	<ul style="list-style-type: none"> <li>• Port Development Experts</li> <li>• HRD Expert</li> </ul>	<p>Completed</p> <p>until May 1</p>	<p>see 3.5 for possible changes</p>
<p><b>305</b> Legal documentation for private investments by concessions is prepared</p> <p>305.1 Establish the present legal status of the ports            305.2 Prepare legal documents            305.3 Advise on the possible future legal status of the ports            305.4 Facilitate discussions with concerned parties on the future legal status of the ports</p>	<ul style="list-style-type: none"> <li>• Legal Expert</li> <li>• Local Legal Expert</li> <li>• Local Business Planning Expert</li> </ul>	<p>until May 1</p>	<ul style="list-style-type: none"> <li>• close co-operation with GTZ project</li> <li>• consider results of USAID</li> </ul>

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"> <li>• Port Development Expert</li> <li>• Privatisation Expert</li> <li>• Ports Management</li> <li>• Local Legal Expert</li> </ul>	<p>Tendering for privatisation process after careful consideration not recommended</p> <p>Decision making process in Georgia still not completed</p> <p>until May 1</p>	

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

Outputs/Activities	Responsibility	Timeframe/ Milestones	Remarks
<b>Phase 4: Detailed Design and Production of Tender Documents</b>		<b>June 6 - July 17, 1998</b>	
<b>401 Tender Documents for the Development Project are Prepared</b>			<ul style="list-style-type: none"> <li>• activities to be planned according to results of Phase 1-3</li> </ul>
<b>401.1</b> Prepare tender documents  <b>402 Assistance in Procurement is Given</b> 402.1 Assist in tendering procedures 402.2 Assist in the evaluation process 402.3 Establish an investment project co-ordination unit 402.4 Monitor budget compliance of investment projects			<ul style="list-style-type: none"> <li>• activities to be planned according to results of Phase 1-3</li> </ul>

## Annex



## Seminar Report

<b>Title:</b>	European Ports Study Tour																
<b>Date:</b>	19 - 29 May 1998																
<b>Venue:</b>	Europe (Germany, Netherlands, Belgium)																
<b>Lecturer:</b>	Mr. Norbert Zimmert, Ms. Helga Wagner/ Port Managers of Different European Ports																
<b>Participants:</b>	<table><tr><td><b>Ms. Suzana Kvachantiradze</b></td><td>Assistent of the Gen. Manager, Port of Poti</td></tr><tr><td><b>Mr. Irakli Tsirgvava</b></td><td>Deputy Head of the Marketing Department, Port of Poti</td></tr><tr><td><b>Ms. Nino Darjania</b></td><td>Deputy Accountant, Port of Poti</td></tr><tr><td><b>Mr. Revaz Khoperia</b></td><td>Head of the Planing Department, Port of Poti</td></tr><tr><td><b>Ms. Aza Shengelia</b></td><td>Translator</td></tr><tr><td><b>Mr. Jevdet Verdzadze</b></td><td>Deputy Head of the Marketing Department, Port of Batumi</td></tr><tr><td><b>Mr. Gocha Turmanidze</b></td><td>Officer at the Marketing Department, Port of Batumi</td></tr><tr><td><b>Mr. Zaza Lortkipanidze</b></td><td>Head of the Cargo Department, Port of Batumi</td></tr></table>	<b>Ms. Suzana Kvachantiradze</b>	Assistent of the Gen. Manager, Port of Poti	<b>Mr. Irakli Tsirgvava</b>	Deputy Head of the Marketing Department, Port of Poti	<b>Ms. Nino Darjania</b>	Deputy Accountant, Port of Poti	<b>Mr. Revaz Khoperia</b>	Head of the Planing Department, Port of Poti	<b>Ms. Aza Shengelia</b>	Translator	<b>Mr. Jevdet Verdzadze</b>	Deputy Head of the Marketing Department, Port of Batumi	<b>Mr. Gocha Turmanidze</b>	Officer at the Marketing Department, Port of Batumi	<b>Mr. Zaza Lortkipanidze</b>	Head of the Cargo Department, Port of Batumi
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### Subjects:

Visit to the ports of Hamburg, Bremen, Rotterdam, Antwerp, Lübeck, Rostock

- Possible organisational set-ups of ports
- Relationship between port administrations and private port operating companies
- Port planning and development
- Port Marketing
- Visit to and explanation of specialised terminals and their organisational set-up
- Privatisation of a formerly state-owned port

### 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 in the new market oriented economic environment.

The seminar evaluation showed, that the participants highly appreciated the opportunity to familiarise themselves personally with port management and operations of commercially working 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.

The participants regretted the shortness of the stay in Europe, because they felt, they could have received much more applicable information in a longer seminar.

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 ports of Poti and Batumi and the port managers of these ports.

# Evaluation of the Study Tour to European Ports for Participants from the Ports of Poti and Batumi

19 - 29 May 1998

## Statements of the participants, on what they like best

meeting together and the wish to give us help in our work

the whole tour was well organized, difficult to underline a single topic, but accounting technical facilities and works Hamburg and Antwerp are amazing

organization of the seminar  
reception was wonderful  
boundful of information

seminar was well organized  
presentation was interesting

it was well organized

seminar was well organized, every minute was considered

seminar in Hamburg was well organized  
organisational structure of the port  
technical-economical potentials

unforgettable impressions  
programmes of work  
patience of course director

seminar enlarged our point of view, showed the different ways  
how to achieve better results

Summary: to win in life you should move all the time - expand,  
reconstruct and for this get information and analyse

## Statements of the participants, on what they dislike

It would be better if we had more time to get acquaintance to the working process

programme was too complicated

programme was too complicated,  
too short time for such a programme

little time to get acquainted with the ports,  
too long distance to travel

Course director didn't pay much attention to our free time

(limited) free time

lack of time



	<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>	<b>5</b>	<b>6</b>
How the participants assess						
HPTI facilities	0	0	0	0	1	8
transport	0	0	0	2	7	0
accommodation in Hamburg	0	0	0	2	3	5
accommodation in Amsterdam/Antwerp	0	0	1	4	3	0
meals	0	0	0	1	2	7
organization	0	0	0	0	4	4
Topic: Port of Hamburg/Fact and Figures						
Presentation of Topic	0	0	0	0	1	9
Value for Participants' Job	0	0	1	1	5	5
Topic: Port of Hamburg/Organisational Structure						
Presentation of Topic	0	0	0	0	3	5
Value for Participants' Job	0	0	1	0	3	6
Topic: Hamburg Port and Warehouse Corporation						
Presentation of Topic	0	0	0	0	1	7
Value for Participants' Job	0	0	1	3	3	3
Topic: Port Marketing						
Presentation of Topic	0	0	2	2	3	1
Value for Participants' Job	0	1	2	1	1	2
Topic: Port of Lübeck						
Presentation of Topic	0	0	0	2	5	1
Value for Participants' Job	0	1	3	2	1	1
Topic: Port of Rostock						
Presentation of Topic	0	0	1	4	3	1
Value for Participants' Job	0	0	0	1	3	5
Topic: Port of Rotterdam						
Presentation of Topic	0	0	0	1	6	2
Value for Participants' Job	0	0	0	2	4	3
Topic: Port of Antwerp						
Presentation of Topic	0	0	0	0	2	8
Value for Participants' Job	0	0	0	0	5	6
Topic: Port of Bremen						
Presentation of Topic	0	0	2	3	4	0
Value for Participants' Job	1	0	3	4	1	1

