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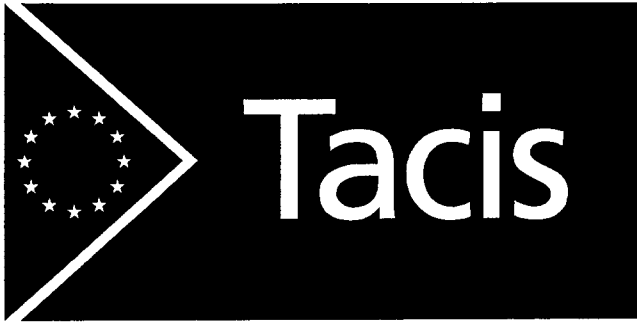
LAWGIBB Group Member 



# **RESTRUCTURING OF THE AZERI AND GEORGIAN RAILWAYS**

## **PROJECT COMPLETION REPORT**

**March 1999**



**Restructuring of the Azeri and  
Georgian Railways**

**Contract No: 98-0171**

**Project No: TNREG 9701**

**Project  
Completion Report**

**March 1998**

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**RESTRUCTURING OF THE AZERI AND  
GEORGIAN RAILWAYS**

**COMPLETION REPORT**


**by**

**GIBB Ltd**

**in association with**

**CIE Consult**

## Form 1.2 REPORT COVER PAGE

Project Title	: Restructuring of the Azeri and Georgia Railways		
Project Number	: TNREG 9701		
Country	: Azerbaijan and Georgia		
	<b>Local operator</b>	<b>Local operator</b>	<b>EC Consultant</b>
Name	: Azerbaijan Railways	: Georgian Railways	: GIBB Ltd.
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Signatures			

Date of report : 3<sup>rd</sup> of March 1999

Reporting period : August 1998 to February 1999

Author of report : B. G. Brent

EC M & E team	_____	_____	_____
	(name)	(signature)	(date)
EC Delegation	_____	_____	_____
	(name)	(signature)	(date)
TACIS Bureau [task manager]	_____	_____	_____
	(name)	(signature)	(date)

**NOTE : Each report is to have this cover page in order to facilitate the project administration.**

## Restructuring of the Azeri and Georgian Railways Inception Report

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# **1. PROJECT SYNOPSIS**

## 1 PROJECT SYNOPSIS

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<b>Project Title:</b>	Restructuring of the Azeri and Georgian Railways
<b>Project Number</b>	98-0171
<b>Country</b>	Azerbaijan and Georgia
<b>Project Objectives:</b> Wider Objectives:	To: <ul style="list-style-type: none"><li>• Assist the countries of the Caucasus to develop transport corridors which promote trade between the Caucasus and Europe</li><li>• To support railway commercialisation and assist the railway managers to respond to competitive transport markets.</li></ul>
Specific Objectives:	<ul style="list-style-type: none"><li>• To develop a railway commercialisation strategy</li><li>• To assist the railways with support in the preparation of specific engineering projects</li></ul>
<b>Planned Outputs:</b>	<ul style="list-style-type: none"><li>• The Railways, with the assistance of the Contractor will have drafted a new railway law. This will allow the incorporation of the Railways as State-owned Joint-Stock Companies under the direction of the Ministry of Transport (in Georgia) or the Cabinet of Ministers (in Azerbaijan)</li><li>• The Railways, with the assistance of the Contractor, will have drafted a proposal for the reorganisation of the respective railways into compartment divisions,</li><li>• The Railways, with the assistance of the Contractor, will have drafted Business Plans for each of their divisions.</li><li>• The Railways, with the assistance of the Contractor, will have drafted technical specifications for the investment component of the proposed EBRD loans.</li></ul>
<b>Project Activities</b>	<ul style="list-style-type: none"><li>• Review of existing legal background in each country and preparation of draft legislation.</li><li>• review and analyse Railway corporate governance. organisation and management structures : recommend options for new structures : work with the Railways to prepare process and timetable for implementation.</li></ul>



- Assist the Railways to develop a 5 year Business Plan
- review existing environmental laws and regulations : review environmental problems and procedures, assist each railway to prepare an Environmental Management Plan.

## **2. SUMMARY OF PROJECT PROGRESS SINCE THE START OF THE CONTRACT**

## **2 SUMMARY OF PROJECT PROGRESS SINCE THE START OF CONTRACT**

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Progress is reported below under the main items of the Brief:

### **Restructuring proposals**

Proposals have been prepared for the restructuring of both railways into separate business units comprising corporate activities, passenger business, freight business, infrastructure, rolling stock, and ancillary businesses. Staffing structures and levels in each have been proposed in liaison with the railways and general agreement has been achieved in discussion seminars. Railway regulation arrangements have been set out and have been agreed.

### **Railway Laws**

A draft railway law for Georgia has been prepared and has been discussed with the Georgian Railway and the Georgian Ministry of Transport. The laws were prepared for a Joint Stock Company operation as was required by the Brief. The legal framework in Azerbaijan has been studied and has been found to be suitable for the corporate arrangements proposed.

### **Business Plans**

Business Plans have been drawn up for all the required businesses. These were discussed with the Railways in the preparation stages and in the Draft Final Report version. They have also been discussed with EBRD and amendments have been made following comment by EBRD and the Railways. The plans have now been amended to form a Final Report. A Business Plan for the Azeri Railway ancillary activities could not be completed because of a decision on the future of the Baku Tank Wagon repair works which is still pending.

### **Technical Studies**

Technical Studies have been carried out to form the basis of the Business Plans, taking full account of the previous work and updating as necessary.

### **Technical Specifications**

These have been prepared in conjunction with the respective railways for the investment components of the EBRD team. Work on the specifications for the Baku Wagon Works on its present site has been completed but is now redundant because the site is to be changed. Specifications for the Rioni Bridge have been prepared for a Design/Construct contract strategy. At the time of writing the strategy is under discussion and further input is being provided to accommodate alternative strategies. A specification for signalling on Georgian Railways has been prepared for a two-stage tender process.

### **Reporting**

A Draft Final Report has been delivered. Amendments have been made in accordance with comments received, and a Final Report has been prepared for delivery.

### **3. PROJECT PROGRESS IN FINAL PROJECT PERIOD**

### **3 PROJECT PROGRESS IN FINAL PROJECT PERIOD**

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This project was scheduled to have only an Inception Report and a Completion Report. Accordingly there has been no Progress Report since the Inception Report and the current report effectively covers all progress to date except the mobilisation and initial discussion reported in the Inception Report. The progress in the "Final Report" is thus similar to the progress reported in the previous section.

The following charts summarise the current position.

### 3.1 PROJECT PROGRESS REPORT - FORM 2.2

Project title : Restructuring of Azeri and Georgian Railways		Project number : 98-0171		Country : Azerbaijan and Georgia		Page : 1/1													
Planning period : July 98 - Feb 99		Prepared on : 02/03/1999		EC Consultant : Gibb Ltd.															
Project Objectives : Restructuring Plans / Legal Frameworks / Business Plans / Technical Specifications / Environmental management Plans																			
No	ACTIVITIES IMPLEMENTED	TIME FRAME 1991 to 1999								INPUTS									
		Months								PERSONNEL COUNTERPART		EQUIPMENT AND MATERIAL		OTHER					
		1	2	3	4	5	6	7	8	Planned (Days)	Utilised (Days)	Planned Days	Utilised Days	Planned	Utilised	Planned	Utilised		
1	Project direction									62							EU-NIS	25	39
2	Project management									191							IN EU	Nil	15
3	Management Restructuring									69							IN NIS	20	16
4	Institutional									91									
5	Economics									75									
6	Financial									63									
7	Legal									44	1088								
8	Operations									57									
9	Rolling Stock									57									
10	Infrastructure									134									
11	Labour/Training									79									
12	IT/MIS									61									
13	Environmental									65									
		TOTAL								977	1048	1088	636					45	70

### 3.2 RESOURCE UTILISATION REPORT - FORM 2.3

Project title : Restructuring of Azeri and Georgian Railways		Project number : 98-0171		Country : Azerbaijan and Georgia		Page : 1/1	
Planning period : July 98 - Feb 99		Prepared on : 02/03/1999		EC Consultant : Gibb Ltd.			
Project objectives : Restructuring Plans / Legal Frameworks / Business Plans / Technical Specifications / Environmental management Plans							
RESOURCES/INPUTS		TOTAL PLANNED	PERIOD PLANNED	PERIOD REALISED	TOTAL REALISED	AVAILABLE FOR REMAINDER	
<b>PERSONNEL</b>							
EC Consultant (manhours)	977	977	977	1048	1048	-----	
Sub-total	977	977	977	1048	1048	-----	
<b>EQUIPMENT AND MATERIAL</b>							
	See Attachment 2 Equipment Planned		As in Total Planned		See Attachment 3 Equipment Utilised	-----	
Sub-total						-----	
<b>OTHER INPUTS</b>							
Flights EU-NIS	25	25	39	39	39	-----	
Flights in EU	Nil	Nil	15	15	15	-----	
Flights in NIS	20	20	16	16	16	-----	
Sub-total	45	45	70	70	70	-----	
<b>TOTAL</b>							

### 3.3 OUTPUT PERFORMANCE REPORT – FORM 2.4

<b>Project title:</b> Azeri and Georgian Railway Restructuring		<b>Project:</b> 98 - 0171	<b>Country:</b> Azerbaijan and Georgia	Page : 1 of 1
<b>Prepared on :</b> 22/2/99		<b>EC Consultant :</b> GIBB Ltd		
Output results		Deviation original plan + or - %	Reason for deviation	Comment on constraints & assumptions
Draft Railway Laws	+ Georgian translations of Law - Commentary only on Azeri Law Net deviation 0	• Instructions from EBRD • Resent legal status satisfactory	Azeri Ministry of Transport is proposed but date and detailed responsibilities and functions not known. Assumptions made.	
Restructuring Proposals and Action Plans including MIS plans	No deviation	N/A	Retirement and social policies require changes. Downsizing rates assumed	
Business Plans for separate business units, each railway and associated Corporate Financial Model	No plan for Baku Wagon Repair Works	Government decision awaited on location	Base data is historical cost and historical depreciation assumptions Assumed Governments will subsidise passenger operations as a Public Service Obligation	
Environmental Management and Action Plans	No deviation	N/A	Assumptions discussed with Railways	
Technical Specifications	+ Detailed assessment of present status of signalling. + Preparation from scratch of <ul style="list-style-type: none"> <li>• Track machinery specs</li> <li>• Track materials specs.</li> <li>• Baku Wagon Work specs.</li> <li>• Balajari Exterior Wash specs.</li> <li>• Balajari Water Treatment specs.</li> <li>• Rioni Bridge specs.</li> <li>• Detailed signalling specs</li> </ul> Overall say 100% +	No signalling design ability in Railways organisation. Railway organisations not familiar with western competitive tendering methods, and do not have access to international technology and documentation		



## **4. OVERALL REPORT ON THE TOTAL PROJECT**

## 4 OVERALL REPORT ON THE TOTAL PROJECT

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### 4.1 General

The project commenced in July 1998 with an ambitious schedule which required the presentation of a draft final report within 4 months. These reports were to cover both railways and required the derivation of:

- Railway Laws to set the legal and operation framework for a railway reorganisation and restructuring.
- Discussions with the Railways to derive and agree the format and details of the restructured organisation in each country.
- Demands to be met by each of the business units and associated levels of service.
- Inputs required in each business unit to satisfy demands.
- Business Plans for the respective units.

An associated activity was the preparation of technical specifications for investments into each railway identified in previous studies, but whose details were dependent upon various facets of the inputs and outputs to the Business Plans.

The method of operation adopted was to set up offices in each country manned by a locally appointed administrator, to appoint an expatriate manager with responsibility of working in both countries and to have this man available in the region only during the period that the technical experts were working. Technical experts were assigned to work in both countries and to move between them. The essential reason for this process was to apply the same standards and concepts to both countries and to cross-fertilise ideas generated.

Some general difficulty in achieving progress was encountered owing to the following:

- The incidence of a holiday season both in the EU and in the Region at the time of starting the project.
- Administrative difficulties in meeting the conditions imposed by the contract for purchase of equipment for offices in the region, which resulting in delays of 3 months.
- Elections in Azerbaijan which caused several staff in the Railways to be unavailable for consultation.
- Contention in Georgia over the proposed railway law and corporate structure.
- A requirement for the first drafts of many of the technical specifications to be prepared by the Contractor rather than by the Railways as stated in the Brief.
- Cessation of the regular air connection between the two countries in August 1998.

In recognition of the difficulty an extension of two months was allowed on the project.

### 4.2 Delivery of Reports

The Inception Report was delivered in August 1998 and set out the method of operation.

The Draft Final Report was submitted in the third week of December 1998 in a format which combined the experts commentaries with the Business Plans in order to set out the background, criteria and assumptions used in the Business Plans. Following comment by EBRD on the excessive bulk of this documentation, it was reformatted in a shorter form and this shorter form was delivered to the railways and the EU participants.

The Final Report has broken down the elements as follows:

- Experts Commentaries
- Restructuring Proposals
- Railway Law
- Business Plans
- Environmental Management and Action Plan
- Technical Specifications.

It was delivered at the end of February 1999.

#### **4.3 Seminars**

Seminars were held in the last week of September 1998 in both Georgia and Azerbaijan to discuss the content of the Business Plans and other developments to date. Prior to and subsequent to each seminar there were a series of meetings at high level with the railway management to ascertain their views on the future business arrangements and to incorporate these into the Plans.

The second series of major seminars was held with all interested parties in week beginning 11 January 1999 in both Georgia and Azerbaijan. These seminars invited discussion of the Draft Business Plans. They were immediately succeeded by informal meetings with railway managers to incorporate their comments and ideas on particular aspects of the Plans.

Press conferences were held in Georgia in both September and January at the same time as the seminars.

Written comment from the Georgian Railways on one aspect of the Business Plans was received on 17 February 1999.

#### **4.4 Railway Law**

Preparation of a Draft Railway Law for Georgia commenced in August 1998. Discussions were held with local lawyers and the railway management. A draft was prepared based on the concept of a Joint Stock Company (JSC). A second urgent visit in September 1998 included discussions with the railways and others on related Georgian law issues. The draft was revised, translated and presented to the Ministry of Transport in September 1998. After discussion the content of the draft was approved by EBRD in January 1999.

The legal situation in Azerbaijan was examined and was found to be appropriate for the present circumstances and the proposed railway operations pending the introduction of a Ministry of Transport.

#### **4.5 Environmental Management and Action Plan**

The existing local framework in both countries was researched in the period August to September 1998 and Draft Environmental Plans were prepared and were discussed with the railways and with EBRD in October 1998, leading to the production of a Draft Final version in November 1998.

## **4.6 Restructuring**

A protracted series of discussions and meetings was held with senior directors of both railways in the period August to October 1998. In these meetings proposals for restructuring of the railways were discussed and developed. Detailed organisation proposals resulting from the discussions were presented and discussed at meetings with the railways and in the Business Plan seminars.

Parallel activity was carried out and the preparation of plans for development of human resources and management information systems. These plans necessarily covered all of the proposed business units within the two railways under the same umbrella.

## **4.7 Business Plans**

Expert evaluation of the present circumstances and previous reports commenced in the EU in July 1998 and in the region in August 1998. In August 1998 a review of traffic and revenue forecasts was commenced in order to set the background for the Business Plans. In general the previous traffic forecasts were adopted after a review and after discussion with EBRD.

In the case of the passenger businesses the previous forecasts were modified downward on the basis of the previous six months. The expert assessments were directed to confirmation of the present circumstances as reported by others previously and to discussions with the railways on appropriate business actions in recognition of the present circumstances. It was this background assessment and its consequences of proposed business actions that led to incorporation of the assessments within the first draft of the Business Plans. Following discussions with EBRD it was agreed to remove the expert commentary on the Business Plans and to present these separately in order that the Plans themselves could form the basis of documents which could be adopted by the railways and modified as necessary for business purposes. Accordingly the January 1999 seminars were based upon a concise reiteration of the business assumptions for each separate unit and a discussion of the actions necessary within each unit and the financial implications of such actions on the overall plans.

The financial report incorporates comments reviewed at the seminars immediately following these. The Business Plans within the financial report were prepared to a format agreed with EBRD and the railways.

## **4.8 Corporate Financial Model**

This computer based model has been developed in conjunction with the railways to cover all the businesses, including the interaction between each business and to prepare output in the financial forms required by each separate business. The model has been discussed with the railways and is developed in a manner which will allow each railway to modify input data and assumptions, to see the effect of any changes on the financial situation and to prepare updated versions of the Business Plans.

## **4.9 Technical Specifications for the EBRD Loan Elements**

### **4.9.1 Baku Wagon Repair Works**

An early activity under the contract commenced in July 1998 with discussions between the contractor and the Azeri Railways and a Ukrainian specialist contractor who had previously been appointed by the railway to plan an upgrading of the existing works. A sub-contract was led for development of plans for upgrading on the present site and in accordance with previous agreements on the current requirements of the railways. This sub-contract resulted in delivery of detailed technical specifications at the end of September 1998. In August 1998 at the request of the railways an addendum to the Sub-contract work was instructed to provide specifications for a new paint shop and new wheel shop. Specifications were completed early in October 1998 but concurrently the railways commenced negotiations on the removal of the works to a site outside Baku. Accordingly the works on the specifications

were suspended and these are not now included in the final report. Documents are, however, available for future use.

#### 4.9.2 Balajari Wash Plan

The Contractor has liaised with the railways on the content and parameters for the internal washing plant, and has assisted the railways to carry out the detailed specification. This was prepared using their in-house and contracted resources. The Contractor has prepared the following in liaison and consultation with the railways.

- Specifications for steam generating equipment  
(These were passed directly to the EU for contractual action.)
- Specifications for water treatment equipment
- Specification for exterior wash equipment.

These were originally prepared by the Contractor and have been discussed with the railways. The specifications for each railway have been tailored for the particular requirements.

#### 4.9.3 Other items

Specifications for rails, sleepers and fitting have also been prepared by the Contractor and discussed and agreed with each railway.

Specifications for spares for a ballast cleaning machine for the Georgia Railways have been prepared by the Contractor to obtain competitive quotes from different suppliers for items which are manufactured only by one company.

At a late stage in the contract the quantities of rails, sleepers and fittings for the Azeri Railways were increased to allow for additional funding released by the postponement of the Baku Wagon Works Upgrading. At the same time it was decided to purchase a ballast cleaning machine for the Azeri Railways and the Contractor has prepared a specification in liaison with the railway.

The original intention for investment in Georgia included spare parts of existing bridges. At a late stage in the contract the railways asked for the funding to be diverted to construction of a new bridge on the Rioni River. Accordingly the Contractor has prepared alternate specifications for this item.

#### 4.9.4 Signalling

The original brief did not include the services of a signalling specialist but it became necessary to devote considerable effort to the preparation of specifications for signalling equipment for Georgian Railways. An expert was appointed and specifications were drafted for a design and supply contract. This became a major component of the specifications.

### **4.10 Action Plans**

Future action has been set out as follows:

- The restructuring proposals have recommended that a task force be set up as soon as possible and has set the overall timeframe for its actions. The task force must necessarily set out its own detailed plan which will be dependent on the level of resources and external assistance applied. The primary action recommended is that restructuring should commence immediately to maintain impetus generated during this project. It is understood that this is now being considered at Ministerial level in each Government.
- The Legal Report sets out a basis for action by each Government.

- The Business Plans each summarise the basic assumptions made for the new businesses, the actions required and the investment necessary. General timeframes for the actions are outlined. These are all dependent upon the implementation of the overall railway restructuring and on availability of resources.
- Environmental management and Action Plan. This plan sets out the actions required and recommends a timeframe.

#### **4.11 Sustainability**

All of the recommendations and plans contained in the Final Report are designed to secure sustainability of the railway functions. This sustainability is primarily dependent upon restructuring, without which the railways will continue to operate at current levels or to decline as existing assets deteriorate.

**4.12 PROJECT COMPLETION REPORT – FORM 3.2**

Project title : Azeri and Georgia Restructuring		Project nr : 38-0171		Country : Azerbaijan and Georgia		Page : 1/1	
Reporting period : July 1998 to January 1999		Prepared on : 2/2/99					
		EC Consultant : GIBB Ltd					
REPORTING PERIOD	MAIN ACTIVITIES UNDERTAKEN	EC CONSULTANT	INPUTS UTILISED				
			MATERIALS AND EQUIPMENT		OTHER		
22 July 1998 – 22 February 1999	Establishment Restructuring proposals Technical studies Drafting Railway Laws Business Plans Technical Specs. Report preparation	1 work month 3 work months 3 work months 1.5 work months 5.5 work months 5.5 work months 1 work month	4 PCs + 2 printers 4 Notebook computers 2 Photocopiers 2 printers Telephones Fax	EU/Region air fares Airtfares Georgia/Azerbaijan Days per diem EURO Lump Sum Regional consultant input EURO admin costs EURO translation costs			
<b>TOTAL</b>							

## **5. RECOMMENDATIONS FOR FUTURE ACTION**



## 5 RECOMMENDATIONS FOR FUTURE ACTION

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The following action is recommended as a result of this project:

1. Provide assistance to each railway for practical implementation of the restructuring proposals.

2. Loan Implementation

Action is already in hand by EBRD and the beneficiaries to appoint consultants for implementation of the proposed EBRD loan element.

3. Future Capital Investment

Future activity should be directed to developing the restructured railways so that they will be perceived as profitable organisations suitable for investment by both IFI's and commercial investors. Partnership arrangements with private sector operators and/or associated developers are one appropriate target.

4. The Wider Investment

The railways are intrinsic to the broader economical development of both countries. The current project sponsors could usefully maintain an involvement which will assist in the sustainability of the railways. Both railways are at the core of the Traceca Corridor and projects in each railway, in each country and in the corridor, will be relevant.

## **ANNEXES**

## Attachment 1 to Form 2.2

### EQUIPMENT PLANNED AND UTILISED

<b>Computers</b>	<b>Planned</b>	<b>Utilised</b>
Cabling for networking		2
Compaq desktop	4	4
Email		2
Internet installation	2	1
Modem		2
Notebooks	4	4
Packets disks		2
Printer	4	4
Software		4
Surge filter	2	2
UPS		3
Mouse	4	4
Carrying Case	4	4
Spare battery	4	
Accessories	2	
<b>Office Communications</b>		
Fax machine	2	2
Photocopier	2	2
Telephone	2	2
Mobile phone	2	
<b>Office Furniture</b>		
Chairs		6
Chairs with arms		2
Typist chairs	12	5
Desks	6	3
Crockery	2	2
Drawers		5
Fan	2	1
Filing cabinets	4	2
Filing tray	20	
Kerosene heater	2	
kettle		2
Office equipment		3
Paper punch	12	
Refrigerator	2	2
Stapler	12	
Steel cabinet	2	1
Table lamp	6	4
<b>Miscellaneous</b>		
Provisional	2	

## Attachment 2 to Form 2.3 EQUIPMENT PLANNED AT INCEPTION STAGE

### Equipment to be supplied, purchased, and used by Contractor and handed over to Beneficiary

The budget quoted in the Proposal was 65,000 Ecu.

The latest estimate of the minimum equipment is shown below, and purchase will depend on the approval / changes of TACIS.

Ref	Description	Number in		Estimated Price/Unit	Amount- Total in Contract, ECU
		Tibilisi	Baku		
<b>Computers</b>					
1-1	Desk top Pentium MMX200 Upgraded to 15 inch monitor Video Card CD Rom	2	2	\$1100	
1-2	Clevo 8630 or ASER 970 Pentium Notebook with Mouse, Carrying case and Spare battery	2	2	\$3045	
1-3	Laser printer HP LJ6L	1	1	\$530	
1-4	Portable inkjet printer HPDJ340 (B/W)	1	1	\$314	
1-5	Voltage stabiliser/Surge Protector	1	1	\$216	
1-6	Modem	1	1	\$132	
	2/1 'T' Switch	1	1	\$22	
	Cables	1	1	\$14	
1-7	Internet Connection	12	12	\$12 per mth	21,740
<b>Office Communications</b>					
2-1	Fax machine	1	1	\$514	
2-2	Telephone	1	1	\$75	
2-3	Mobile telephone	1	1	\$100	
2-4	International telephone line	1	1	\$600	2,750
<b>Office Furniture</b>					
3-1	Metal file cabinet (4 drw)	2	2		
3-2	Typists chair	10	1		
3-3	Desk (1.5mx0.7m) with drawers	5	1		
3-4	Lockable steel cabinet	1	1		
3-5	Filing tray	10	10		
3-6	Paper punch	6	6		
3-7	Stapler	6	6		
3-8	Table Lamp	3	3		
3-9	Refrigerator (small)	1	1		
3-10	Fan	1	1		
3-11	Tea/coffee set & crockery	1	1		
3-12	Kerosene heater	1	1		
3-13	B/W Photocopier, Canon NP6216	1	1	\$2300	12,960
<b>Miscellaneous</b>					
4-1	Provisional	1	1		7,550
<b>TOTAL</b>					<b>45,000</b>

#### Notes:

1. Desktop pentium to be of European make and to have 200 MHz, 16MbRAM, 1Gb HDD, 15" SVGA Monitor and CD ROM. English & Russian Keyboard and language
2. Notebook Pentium to be of European make and to have 120 MHz, 16 Mb RAM, 1Gb HDD, Colour screen and trackball / touch pad. English & Russian Keyboard and language
3. The estimated price varies depending on country and supplier (also availability of model and inclusion of accessories)
4. The above equipment is for the Contractor's initial requirements and may need to be increased in items and quantities depending on the way the project proceeds and number of personnel in each office. Additional equipment may be needed for the Beneficiaries.
5. Prices exclude VAT.

**Attachement 3 to Form 2.3**  
**EQUIPMENT UTILISED**

Restructuring of Azerbaijan and Georgian Railways

Office Equipment (furniture and computers) Expenses

Receipt Number	Date	Description	Package No.	Supplier	Location	Amount			Exchange Rate	Equivalent in EURO	GIBB Receipt No.
						Dollars	Manats	Lari			
OE-1	13-Aug	Equipment 1 x Compaq desk-top 1 x printer 1 x fax machine 1 x photocopier	2,4&6	Azer Electronics	Baku	4,000.00			1.115160	3,586.93	BD2
OE-2	14-Aug	Equipment UPS surge filter MS Office software modem	2	Azer Electronics	Baku	829.00			1.115160	743.39	BD3
OE-3	14-Aug	Equipment, kettle	5c	Univermag	Baku		125,000		4303.400000	29.05	
OE-4	14-Aug	Equipment, crockery	5c	Univermag	Baku		52,000		4303.400000	12.08	
OE-5	14-Aug	Equipment, crockery	5c	Univermag	Baku		15,000		4303.400000	3.49	BM8
OE-6	14-Aug	Internet installation	2	Azer/Intrans	Baku		300,000		4303.400000	69.71	BM30
OE-7	31-Aug	Office equipment	3	NIL Ltd.	Baku		114,500		4303.400000	26.61	BM5
OE-8	31-Aug	Furniture 2 x filing cabinets 2 x chairs with arms 2 x chairs 3 x tables, M3 3 x drawers 1 x table, M4	3	Muller Inteyer	Baku	1,766.50			1.115160	1,584.08	JKD9
OE-9	01-Sep	Refrigerator	5a	Electro Company	Baku		140.00		1.101340	127.12	JKD13
OE-10	01-Sep	Computers 1 x Compaq desk-top 1 x printer 2 x packets disks cabling for networking software	2	Azer Electronics	Baku	2,168.00			1.101340	1,968.51	JKD14
OE-11	01-Sep	Electric fan	5b	Azer Electronics	Baku		45,000		4254.480000	10.58	JKM10
OE-12	01-Sep	Telephone line installation rent	20	Georgian Telepho	Tbilisi			680.00	1.482400	458.72	TL8
OE-13	01-Sep	Furniture 2 x drawers 1 x steel cupboard 4 x chairs 2 x typist chairs	7	Georg-Kori	Tbilisi			2,558.75	1.482400	1,726.09	TL9
OE-14	02-Sep	Office equipment	8	Georg-Kori	Tbilisi			405.65	1.482400	273.64	TL12
OE-15	04-Sep	Connection of phone	20	Georgian Telepho	Tbilisi			20.00	1.482400	13.49	TL15
OE-16	04-Sep	Computers 1 x desktop MS Office software 1 x printer 1 x fax machine UPS	4&6a	Camara L.L.K.Inc	Tbilisi	2,890.00			1.101340	2,624.08	TD28
OE-17	07-Sep	Furniture 2 x desks 1 x refrigerator 1 x kettle 2 x typist chairs	7,13&15	Georg-Kori	Tbilisi	1,510.00			1.101340	1,371.06	JKD22
OE-18	07-Sep	Computers 1 x desktop surge filter cabling for networking	4	Camara L.L.K.Inc	Tbilisi	1,153.00			1.101340	1,046.91	JKD23
OE-19	09-Sep	Computers, modem	16	Camara L.L.K.Inc	Tbilisi	195.00			1.101340	177.06	JKD24
OE-20	09-Sep	Telephone line	20	Telephone line	Tbilisi			312.50	1.482400	210.81	JKL1
OE-21	09-Sep	Email	4	Camara/Sanet	Tbilisi			70.80	1.482400	47.76	JKL2
OE-22	09-Sep	Email	4	Camara/Sanet	Tbilisi			20.00	1.482400	13.49	TL18
OE-23	14-Sep	Furniture 1 x desk 1 x typist chair	7	Georg-Kori	Tbilisi	530.00			1.101340	481.23	JKD29
OE-24	18-Sep	Office equipment photocopier printer UPS	4&9	Camara L.L.K.Inc	Tbilisi	2,525.00			1.101340	2,292.66	JKD34
OE-25	07-Oct	Computers 2 x Notebook	1	Camara L.L.K.Inc	Tbilisi	5,494.00			1.172980	4,683.60	JKD61
OE-26	13-Oct	Computer software	4	Camara L.L.K.Inc	Tbilisi		699.00		1.172980	595.92	TB95
OE-27	19-Oct	Computers 2 x Notebook	1	Azer Electronics	Baku	7,000.00			1.172980	5,967.71	

**TOTAL TO INVOICE**

**30,145.95**