

The European Union's Tacis programme
for Armenia, Azerbaijan, Belarus, Georgia, Kazakhstan, Kyrgyzstan, Moldova, the Russian Federation,
Tajikistan, Turkmenistan, Ukraine, Uzbekistan

Aktau Port Development Masterplanning & Feasibility Study for the Port of Aktau, Kazakhstan

Inception Report

August 2007

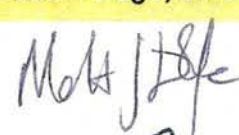


This project is funded by
the European Union



A project implemented by
Scott Wilson & Proektirovshik

1 COVER PAGE

| | | |
|---------------------|--|---|
| Project Title | : Masterplanning and Feasibility Study for the Port of Aktau, Kazakhstan | |
| Project Number | : EuropeAid123967/C/SER/KZ | |
| Beneficiary Country | : Republic of Kazakhstan | |
| | Project Partner | EC Contractor |
| Name | : Aktau International Sea Commercial Port | Scott Wilson Ltd. |
| Address | : Aktau, Kazakhstan | Scott House, Basing View, Basingstoke, Hampshire RG21 4JG |
| Tel. number | : +7 (3292) 51 45 49 | +44 1256 310 200 |
| Fax number | : +7 (3292) 44 51 01 | |
| Contact person : | Talgat B. Abylgazin, Director | Martin Edge, Director |
| Signatures : |  | |

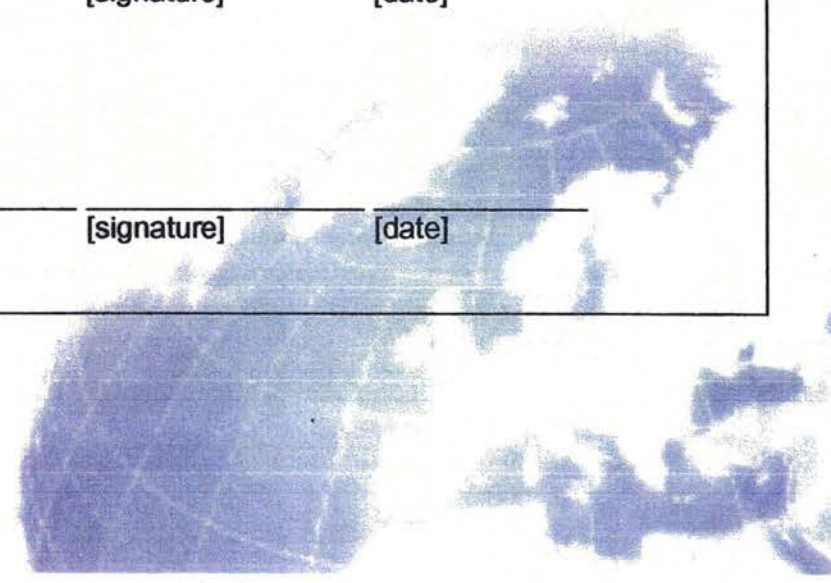
оғнақормен Джон Гарднер

Date of report : 5 August 2007

Reporting period : 5 June 2007 – 5 August 2007

Author of report : John Gardner, Project Team Leader

| | | | |
|-------------------|--------|-------------|--------|
| EC M & E team: | _____ | _____ | _____ |
| | [name] | [signature] | [date] |
| Project Manager : | _____ | _____ | _____ |
| | [name] | [signature] | [date] |



ACRONYMS AND INNITALISMS

| | |
|--------------|---|
| AISCP | Aktau International Sea Commercial Port |
| ToR | Terms of Reference |
| EBRD | European Bank of Reconstruction and Development |
| CPC | Caspian Pipeline Consortium |
| KTO | KazTranslOil |
| KMG | KazmunaiGas |
| EIA | Environmental Impact Assessment |

2 PROJECT SYNOPSIS

| | |
|----------------|--|
| Project Title | : Masterplanning and Feasibility Study for the Port of Aktau, Kazakhstan |
| Project Number | : EuropeAid123967/C/SER/KZ |
| Country | : Republic of Kazakhstan |

Project objectives:

The overall objective of the project is to deliver a detailed independent appraisal of future prospects of Aktau port together with a medium and long term master plan to meet the future prospects. Immediate requirements in the North Port will be developed into detailed design and tender documents.

Planned outputs:

The outputs will be a series of reports, plans, feasibility study, master plan, environmental impact assessment report, tender documents to match the project objectives and in the format suitable for further approval by the state expert committee.

Project activities:

The project activities comprise a mixture of short term and long term expert input involving:

- Traffic forecasts
- Financial evaluation and modelling
- Port legal and management procedures
- Port operations
- Environmental impact assessment
- Design of marine facilities

Project starting date:

5th June 2007

Project duration:

18 months

3 TABLE OF CONTENTS

| | | |
|--------|---|----|
| 1 | COVER PAGE | 1 |
| 2 | PROJECT SYNOPSIS | 2 |
| 3 | TABLE OF CONTENTS | 3 |
| 4 | ANALYSIS OF PROJECT | 4 |
| 4.1 | PROJECT KICK-OFF | 4 |
| 4.2 | PROJECT CONTEXT | 5 |
| 4.2.1 | Overall objectives | 5 |
| 4.3 | MAIN THREATS AND OPPORTUNITIES | 5 |
| 4.3.1 | Shift of Focus from South to North Port | 5 |
| 4.3.2 | New Government Decree Ruling Out Concessions | 6 |
| 4.3.3 | Other port developments in Mangistau Oblast | 7 |
| 4.3.4 | Implications of Recent Trends in Traffic | 8 |
| 4.3.5 | Design Information for the North Port | 10 |
| 4.3.6 | Preparation of Draft Corporate Plan | 10 |
| 4.3.7 | Water Intakes to Desalination plant and power station | 10 |
| 4.3.8 | Port Hinterland Transport Systems | 10 |
| 4.3.9 | Oil Pipelines to dedicated berths | 11 |
| 4.3.10 | Availability of existing oil berths | 11 |
| 4.4 | ASSISTANCE FROM AISCP | 12 |
| 5 | PROJECT PLANNING | 13 |
| 5.1 | PROJECT GOALS AND OBJECTIVES AS STATED IN THE ToR | 13 |
| 5.1.1 | Results to be achieved | 13 |
| 5.2 | PROJECT APPROACH | 13 |
| 5.2.1 | Methodology | 13 |
| 5.2.2 | Steering Committee | 13 |
| 5.2.3 | Staffing Schedule | 15 |
| 5.3 | INTENDED RESULTS OR OUTPUTS | 16 |
| 5.3.1 | Schedule of deliverables | 16 |
| 5.4 | PLANNING FOR THE WHOLE DURATION OF THE PROJECT | 17 |
| 5.4.1 | Inputs | 17 |
| 5.4.2 | Deliverables | 17 |
| 5.5 | CONSTRAINTS, RISKS AND ASSUMPTIONS | 17 |
| 5.5.1 | Risks listed in the ToR | 17 |
| 5.5.2 | Further risks identified during the inception phase | 18 |
| 5.6 | PLANNING FOR NEXT REPORTING PERIOD | 18 |
| 6 | LIST OF SCETCHES | 18 |
| | SKETCH I. Phased development of the Conceptual Master Plan: Phase I | |
| | SKETCH II. Phased development of the Conceptual Master Plan: Phase II | |
| | SKETCH III. Phased development of the Conceptual Master Plan: Phase III | |
| | SKETCH IV. Phased development of the Conceptual Master Plan: Phase IV | |
| | SKETCH V. Phased development of the Conceptual Master Plan: Phase V | |
| | SKETCH VI. Phased development of the Conceptual Master Plan: Phase VI | |
| | SKETCH VII. Phased development of the Conceptual Master Plan: Phase VII | |
| 7 | APPENDICES | 18 |
| | APPENDIX 01. Modified Terms of Reference | |
| | APPENDIX 02. Minutes of Kick-off meetings 1-7 | |
| | APPENDIX 03. Minutes of Commencement Conference | |

4 ANALYSIS OF PROJECT

4.1 PROJECT KICK-OFF

The commencement date of the consultancy contract is 5th June 2007. The inception team of Messrs Gardner, Laing; Bayley; Turdzeldze and Ms Irina Golosova mobilised on 10th June and arrived in Aktau on 11th June.

Meetings were held with the team's local experts, Proektirovshik, during the week commencing 18th June and Proektirovshik commenced work on data collection and the preparation of draft drawings for use in the Conceptual Master Plan.

During June Scott Wilson used office facilities provided by AISCP. On 1st July Scott Wilson opened a project office in Aktau staffed by a full time Project Coordinator, Farida Nagiyeva.

Kick-off meetings were held with the project partner, Aktau International Sea Commercial Port (AISCP) on 11th and 13th June. See minutes in Appendix 01.

The project commencement conference was delayed to suit some attendees and was not held until 24th July. See minutes in Appendix 03.

Progress during in the inception phase has been satisfactory. The AISCP has provided the team with a large amount of data and recent reports which have enabled us to build up a clear picture of the port's operations.



Project Opening Conference, 24 July 2007, Aktau Port Conference Room

4.2 PROJECT CONTEXT

4.2.1 Overall objectives

As stated in the Terms of Reference (ToR) the overall objective of the project is to deliver a detailed independent appraisal of future prospects of Aktau port with regard to the following overall / development objectives:

- Integration of Kazakhstan into the international maritime transport system;
- Enhancing the ports attractiveness as an important link for relevant transport sector players;
- Strengthening of the Aktau Port's **strategic role in the Central Asian Region**, taking advantage of its unique geographic location;
- Development of various transport routes with an access to the Black Sea ports via Volga-Don Channel, as well as through the Caucasus;
- Strengthening of Aktau Port's **role in the international trade of Central Asia and elsewhere**;
- Reduction of transportation costs;
- Facilitation of further investment, including private capital;
- Review ownership and management structure of Aktau Port

Within this context AISCP expects to receive assistance from the Consultant in the form of tender documents for an expansion of berths to the North. Feasibility studies for any such expansion are required to justify investment.

4.3 MAIN THREATS AND OPPORTUNITIES

The ToR described the situation which the consultant might expect to find at Aktau and outlined the potential opportunities for the port which need to be addressed in the study.

However, the actual situation at Aktau differs from the situation described in the ToR and there are some new additional issues which have been identified in the inception phase which need to be addressed as discussed in the following paragraphs.

4.3.1 Shift of Focus from South to North Port

When the ToR were written for the project the North Port was under construction through a concession agreement with Mobilex. The ToR were therefore aimed primarily at the proposed South Port expansion.

For various reasons the North Port project has now halted and the concession with Mobilex has been terminated.

The current situation is that the breakwater and mole for the North Port are partially constructed. It is understood that the tender for the construction work required to complete these works will be issued on 8nd August and that the target is to award the construction contract by October 2007. The estimated value of this contract is US\$80 million and will be financed by the Development Bank of Kazakhstan.

The EIA for the breakwater and mole contract has not been completed and AISCP have requested that this should be included in the EIA for the remainder of the North Port works which are to be designed by the Consultants.

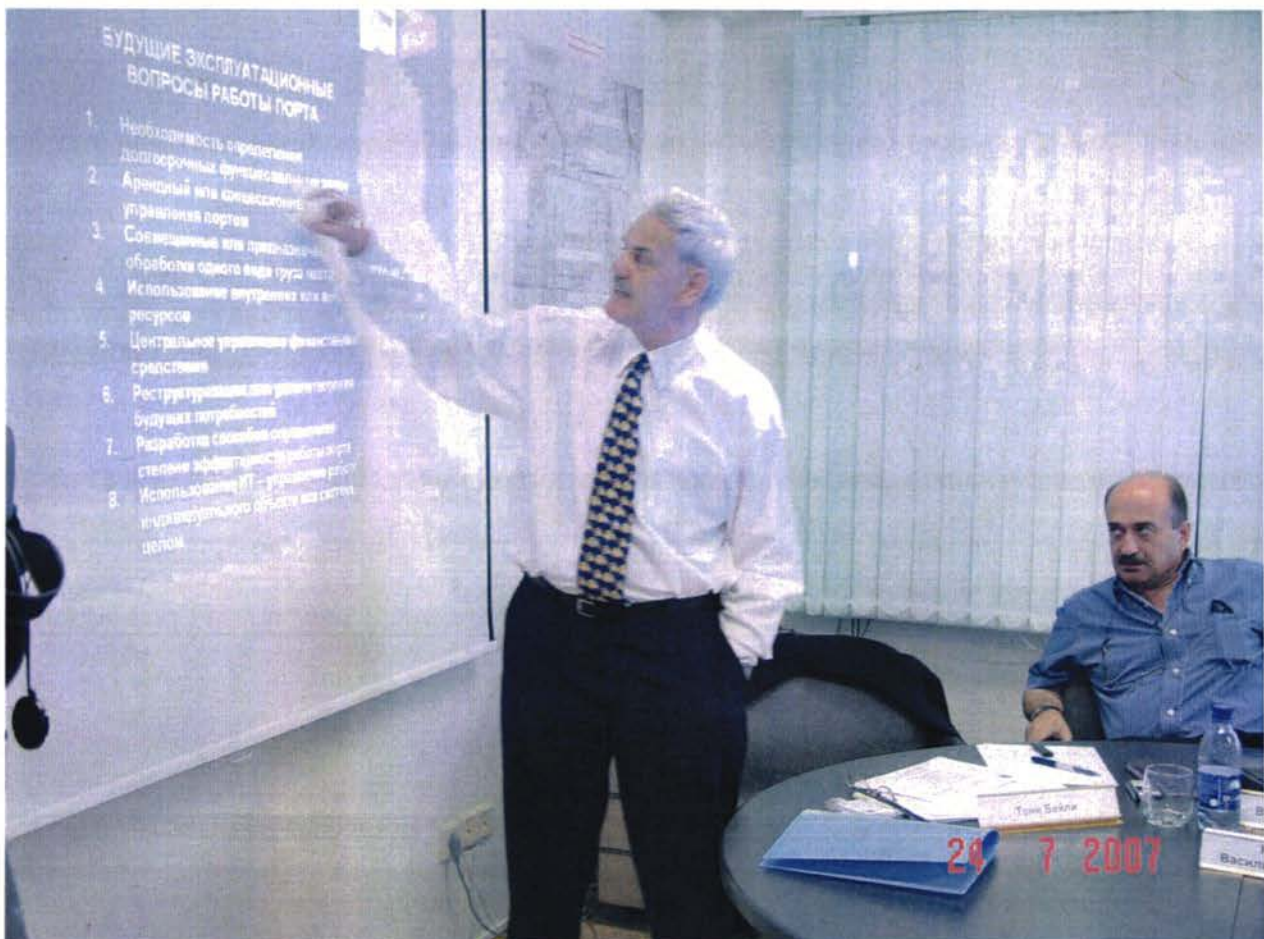
The main impacts of the changed situation in the North Port are a change in the schedule of deliverables and a change of emphasis in the content of some of the deliverables. The views of the Project Partner of the required changes to the work schedule were made clear in the kick-off meeting on 11th June, see minutes and attachments.

The revised schedule of project deliverables is given in Section 5.4.1 and the corresponding revised ToR is shown in Appendix 01.

It is clear that to meet this timetable it will be necessary to commence work on the detailed design and tender documents for the berth construction in the North Port before the Feasibility Study for these works has been finalized. This means that there is a risk that some additional work may be required to modify the tender documents in the future to match the results of the Feasibility Study.

4.3.2 New Government Decree Ruling Out Concessions

A new government decree, 'Decree No 431 of Government of Kazakhstan listing projects that are available for concessions and those which are not available for concessions' was issued on 28th March 2007. This decree eliminates the option of concession agreements for the North Port.



Presentation by Tony Bayley on Institutional & Regulatory Issues, 24 July 2007

The concession agreement with Mobilex placed the port in a difficult situation in that it's functional, and therefore legal and institutional, role would have become different in the Northern Extension to that in the main port. Thus, whilst there was a need to identify how these differences could be resolved in the longer term there was no need to consider the engineering or the feasibility of the North Port. These tasks were to be concentrated on the South Port. The focus of the study will now be redirected to the North Extension.

This means that a significant part of Task 4.2.6, which was concerned with public private partnership options and concessions, is no longer appropriate.

It is therefore proposed that the Consultant now concentrates on the following subcomponents:

- Assessment of existing legal and institutional weaknesses;
- Proposals for legal and institutional strengthening; and
- Proposals for lease arrangements for the oil berths in the North Port and possibly in the existing port.
- Institutional and operational arrangements to attract oil shipment companies to use Aktau in place of Kuryk or the CPC pipeline.

These changes require an adjustment in terms of the timing that was shown in the Consultant's proposal and that proposed in TOR 5.2, which indicated the Assessment of the Legal & Institutional Framework Report in month 3 and the Proposals for Legal and Institutional Framework Report in month 7. These suggested dates are considered unrealistic in view of the changed focus of the project and the new legislation eliminating the concession option and should be delayed until later in the project.

This suggests that the Assessment of the Legal and Institutional Framework Report should therefore follow consideration of the results of the Feasibility Study covering the Northern Extension and any agreement in principle to funding of that development. This is because the legal and institutional proposals for the existing port in isolation and that of an existing port plus extensions may differ. The proposals should reflect the medium to long term requirements and this will not be clear until later in the project, probably after month 9 (submission of Feasibility Study plus 3 months evaluation). It is not considered that the legal or institutional arrangements in themselves will have any impact on the decision as to the viability of the Northern Expansion, particularly now the concession option is no longer relevant.

It is proposed that the initial Assessment of the Legal & Institutional Framework be undertaken following the Northern Extension Feasibility Study in order that the current base position and the potential development options are fully understood. In the unlikely event that the Northern Extension is delayed the Consultant would still then make proposals in relation to the future of the existing port and its functional roles and the appropriate legal and institutional instruments for its medium to long term future needs. It is therefore suggested that the new timing for the deliverables under this task would be:

- Assessment of the Legal and Institutional Framework: Month 9
- Proposals for Legal and Institutional Recommendations: Month 13

4.3.3 Other port developments in Mangistau Oblast

Aktau Port is not the only port facility in the Mangistau Oblast. New and expanded facilities are planned at Bautino 130km to the north and at Kuryk 70km to the south.

Both of these ports pose a potential threat to Aktau because oil exporters will be able to ship some of their volumes through these other ports.

4.3.4 Implications of Recent Trends in Traffic

The Terms of Reference state that the Conceptual Master Plan and Pre-Feasibility Study should be carried out on the basis of the AISCP forecasts. However, a second set of forecasts was presented in the Sheila Farrell and Associates report for EBRD (February 2006).

Furthermore, in the course of reviewing the AISCP forecasts, we have examined recent trends in traffic and transport options and have drawn up some initial projections based on recent trends. These projections are very preliminary as we have not yet arranged meetings with ports users, and have to collect additional data; but they do raise important questions.

The potential impact of differing traffic assumptions on the need for berths and the planning for the North Port will be seen in the following extract from the Conceptual Master Plan being prepared by the Consultants in parallel with this inception report:

Need for New Berths, Based on Alternative Traffic Assumptions

| NUMBER OF ADDITIONAL BERTHS | | | |
|--|------|------|------|
| | 2006 | 2010 | 2015 |
| 1 AISCP Traffic forecast | | | |
| Oil | 0.0 | 4.2 | 5.3 |
| General cargo | 0.0 | 2.7 | 4.2 |
| Grain | 0.0 | 0.0 | 0.0 |
| 2 Scott Wilson Initial Projections, without Kuryk | | | |
| Oil | 0.0 | 4.9 | 6.4 |
| General cargo | 0.0 | 0.0 | 1.2 |
| Grain | 0.0 | 0.0 | 0.0 |
| 3 Scott Wilson Initial Projections, with Kuryk | | | |
| Oil | 0.0 | 1.8 | 0.1 |
| General cargo | 0.0 | 0.0 | 1.2 |
| Grain | 0.0 | 0.0 | 0.0 |

As shown, the need for additional berths in 2015 ranges from 4 general cargo berths and 6 oil berths to 1 general cargo berths and zero oil berths, depending on the traffic assumptions. Clearly if scenario 3 in the above table turns out to be the correct scenario the North Port would be a wasted asset. It is probable that the scenario shown in scenario 3 could be met by improvements in the existing port alone without the need for the North Port.

In order to assess the need for investment it is important to estimate what the existing port facilities *could* handle, with efficient services and effective marketing. In particular, the attraction of cargo to the port is unlikely to be maximized, especially for oil cargoes, if the performance of the port continues to suffer from the defect mentioned in the EBRD report, i.e. excessive wave action at the berths resulting in vessel down time.

A thorough review is therefore required of the breakwater design and layout as currently envisaged and planned for construction so that remedial action, if necessary, can be taken before the berths are designed and brought into service.

Similarly it is unlikely that traffic that could be handled by a new facility at Kuryk will be attracted to Aktau unless the procedures for management and operation of the berths can be as efficient as that to be expected at Kuryk. There is therefore a need to examine the methods of operating the berths within the AISCP framework to provide the maximum incentive to potential users. For example, it might be attractive to offer the oil companies a long lease contract with freedom to install their own equipment and operating procedures on the berths.

The above also highlights that, based on current figures; the case for the North Port rests on the demand for oil berths. Without a firm demand for oil berths it is unlikely that the North Port expansion is currently justified. Increases of up to 0.5 million tonnes/year in dry cargo can be handled in the existing Port by improvements in cargo handling procedures.



Project Opening Conference, 24 July 2007, Aktau Port Conference Room

However, if Government policies or incentives to oil companies can guarantee that oil will continue to be handled at Aktau when Kuryk is in operation then the North Port is probably justified, providing development of the port goes ahead in parallel with development of the rail, pipeline and tank network which transfers oil to the port. The type of incentives envisaged are streamlining of operating procedures to at least the level of efficiency that the oil companies intend to install at Kuryk.

With the North Port in place it is quite possible that industry and development within Aktau will be attracted by the new port, and demand for dry cargo, which is not currently visible, will be generated thereby justifying development of dry cargo facilities within the new port.

The possible phased development of the Conceptual Master Plan is shown on Sketches I to VII. Further discussion on the background to the phasing is given in the Conceptual Master Plan Report.

4.3.5 Design Information for the North Port

Some design of the North Port was carried out by KazHydro for Mobilx before termination of the Concession Agreement.

Survey information, geotechnical, topographic and bathymetric, used in the design of the North Port are urgently required for two main reasons:

- As mentioned in 4.3.4 it is important to ensure that the performance of the harbour is made as protected from wave action as possible; and
- If existing survey information is not made available then new surveys will have to be commissioned and this could lead to a delay in the procurement of the new oil berths envisaged under Item 8 of the Master Schedule in Section 4.4 below.

4.3.6 Preparation of Draft Corporate Plan

The change of emphasis towards the Northern Extension with the AISCP as service operator again requires changes in the scope of work indicated in the TOR 4.2.7. However, these changes are considered to be relatively minor.

The main adjustment is in the timing that was shown in the Consultant's proposal and that proposed in TOR 5.2, which indicated deliverable of the Assessment of the Management & Organization Report in month 3 and the Draft Corporate Plan in month 7. These suggested dates are now considered to be inappropriate in view of the changed focus of the project and should be rescheduled until later in the study.

There is no evidence that the current management and organization is adversely affecting the current financial and operational performance, though it is recognized that changes may be required later to bring the port into modern 'international best practice'. In essence there will probably be a need for changes in the longer term but this is not seen as an urgent matter – crisis management – but more of a gradual development throughout the project.

Specifically the ToR highlights the need for a Draft Corporate Plan with the focus on further management and organizational strengthening. However, the position of the port's need will only become clearer following a decision as to the development of the Northern Extension. This suggests that these two reports should be deferred until later. It is therefore proposed that the new timing for the deliverables under this task would be:

- | | |
|---|----------|
| ➤ Assessment of Management & Organization | Month 9 |
| ➤ Draft Corporate Plan | Month 13 |

4.3.7 Water Intakes to Desalination plant and power station

The power station and desalination plants on which Aktau depends for water and power are on the nearby land behind the port. The water intakes and outfalls to these key facilities are to the north and south of the port, it is believed that the intakes are to the south & outfalls to the north.

Port development options must take account of these structures. In particular the water intake to the desalination plant must be protected at all times from oil pollution as oil can wreck the plant. This requirement will have a greater impact on the South Port expansion than on the North Port.

4.3.8 Port Hinterland Transport Systems

The forecast growth in traffic across the berths at Aktau, whether existing or new berths, must be supported by adequate capacity of the hinterland rail and pipeline systems.

It will be necessary to understand and evaluate any constraints to rail and pipeline operations.

4.3.9 Oil Pipelines to dedicated berths

Oil arrives at the port by pipeline or rail and goes into temporary storage tank facilities operated by Artis Overseas, Terminalix and KTO. The pipelines from the tank farms to the berths do not appear to be common user lines. Some lines appear to be dedicated to particular companies, particular products and to particular berths.

This situation with dedicated facilities must be taken into account when estimating the existing port capacity. Similarly possible alternatives to dedicated facilities should be considered when examining ways to increase port capacity, productivity and attractiveness to users.

4.3.10 Availability of existing oil berths

Although the ToR lists 6 berths available for crude oil exports it is apparent that in practice only 4 berths are normally available, berths 4 and 5 near the rail ferry terminal and berths 9 and 10 on the harbour breakwater.

Berth 11 is listed as an oil berth but we understand that this berth is not currently available to handle oil. Berth 8 is listed as dual usage: both as a rail ferry berth and an oil berth.

Berths 9 and 10 are the oldest berths in the port and the most exposed to wave action. The probability of one or both of these berths being out of action is probably higher than at the other oil berths. Any downtime on existing oil berths would have a severe impact on the reputation of the port and may deter future users from using the port when other options come on stream, for example the CPC pipeline and the proposed oil port at Kuryk.



Project Opening Conference, 24 July 2007, Aktau Port Conference Room

4.4 ASSISTANCE FROM AISCP

AISCP has responded well to our requests for information, and have supplied extensive statistical data on traffic and operations, as well as previous reports. There is a need to arrange meetings with ports users.

The most important meetings we require are with the organizations, which would be most knowledgeable about growth prospects for the following cargoes. Ideally this would be the exporters or importers themselves, but where they are not located near Aktau the next best options would be shipping agents, freight forwarders, etc, who deal with these products.

List of Meetings Required for Pre-Feasibility Study:

| OIL COMPANIES | GENERAL/DRY CARGO COMPANIES | OTHER KEY PARTIES |
|--|-----------------------------|--|
| ➤ Agip KCO | ➤ Grain | ➤ Kazmortransflot |
| ➤ Tengizchevroil | ➤ Steel | ➤ Local Free Trade Zone management |
| ➤ KMG | ➤ Other Metals | ➤ Ministry of Energy and Minerals |
| ➤ Mangystaumunaigaz | ➤ Scrap | ➤ Ministry of Agriculture (to discuss grain exports) |
| ➤ Karazambasmunai CNPC Aktobemunaigaz | ➤ Food | ➤ Ministry dealing with Free Trade Zones |
| ➤ Buzachi Operating Company | ➤ Sulphur | ➤ Ministry of Transport |
| ➤ PetroKazakhstan Kumkol Resources | ➤ Chemicals | ➤ Caspian Shipping Company |
| ➤ Kazcortrans Service | ➤ Forests products | ➤ KazakhTemirZholy (KTZ) |
| ➤ Kaztransoil | ➤ Containers | ➤ KaskorTransService |
| ➤ Terminalex | | |
| ➤ Artis Overseas | | |

5 PROJECT PLANNING

5.1 PROJECT GOALS AND OBJECTIVES AS STATED IN THE TOR

5.1.1 Results to be achieved

The following studies and tasks must be undertaken:

- Traffic Forecast for the years 2010, 2015 and 2020 including modal split, shipping forecast and container forecast as well as assessment of the traffic potential for the economic free zone and logistics centre;
- Phased Master Plan and access transportation lanes for the development of the Port till 2020 based on the assessment of the existing facilities, the North expansion under construction and the traffic potential;
- Feasibility Study for the short to medium term development of the Port (mainly north and south port expansions, economic free zone and logistics centre) in coordination with interested International Financing institutions;
- Technical and tender documentation for construction of basic port facilities for the North Port, taking account of the work already completed on the North Port;
- Environmental Impact Assessment;
- Proposal for the legal and institutional strengthening of Aktau Port to create a structure able to attract private funding;
- Integrated corporate Plan for the Aktau International Sea Commercial Port with focus on further management and organisational strengthening, marketing and Management Information System also as a response to increased intra-port competition.

5.2 PROJECT APPROACH

5.2.1 Methodology

The methodology to be followed on the project remains as described in the technical proposal submitted by the consultants with the tender for this project.

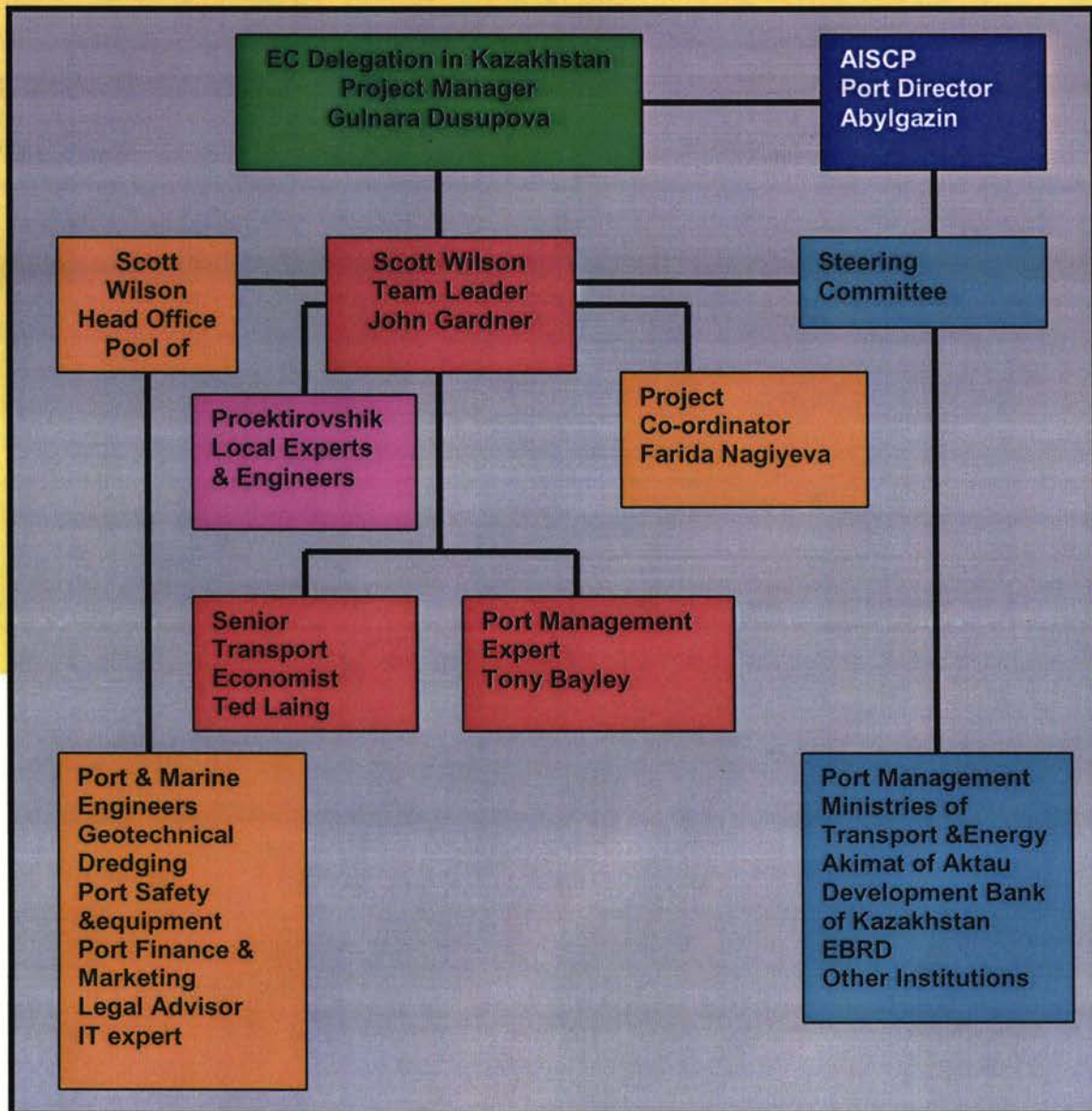
5.2.2 Steering Committee

The formation of a steering committee was discussed at the project commencement conference.

The role of the committee is summarised in the project organisation chart shown below:

The tentative dates for the Steering Committee meetings are:

- 10th October 2007;
- 9th January 2008;
- 9th April 2008;
- 9th July 2008;
- 8th October 2008.

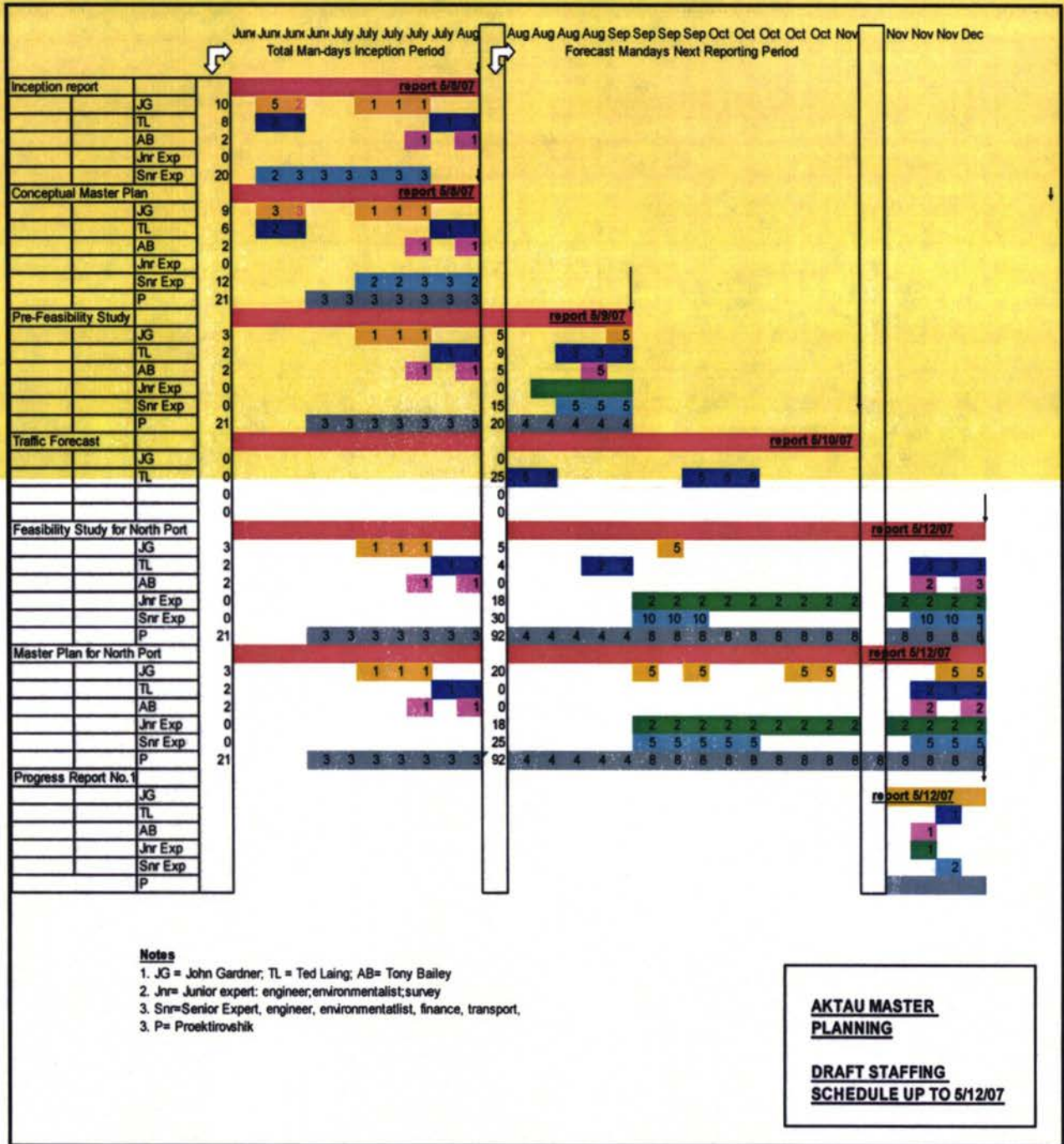


The composition of the steering committee is as shown in the table below:

| Organization | Number of People (attendee may vary, therefore define by person not names) |
|--|---|
| AISCP | 2 |
| Akimat of Mangystau Oblast | 1 |
| Ministry of Transport and Communications | 2 |
| Ministry of Economy and Budget Planning | 1 |
| Ministry of Energy or State Oil and Gas | 1 |
| European Union | 1 |
| EBRD | 1 |
| Development Bank of Kazakhstan | 1 |
| Scott Wilson & Proektirovshik | 3 |

5.2.3 Staffing Schedule

The revised staffing schedule to match the revised schedule of deliverables is given in Section 5.4.1 below. The staffing schedule up to 5th December 2007 is shown below:



5.3 INTENDED RESULTS OR OUTPUTS

5.3.1 Schedule of deliverables

Indicative Time Schedule for Project Implementation:

| ITEM | MAIN ACTIVITY | MONTHS (ENGLISH) | MONTHS (RUSSIAN) |
|------|--|---------------------|---------------------|
| 1 | Inception report | 2.0 | 2.0 |
| 2 | Conceptual master plan (based on existing traffic forecasts) | 2.0 | 2.5 |
| 3 | Pre-feasibility study for expansion (based on existing traffic forecast and studies) | 3.0 | 3.5 |
| 4 | Comprehensive traffic, shipping and container forecast | 4.0 | 4.5 |
| 5 | Feasibility study for the North Port expansion | 6.0 | 6.5 |
| 6 | Environmental Impact Assessment | 6.0 | 6.5 |
| 7 | Master Plan for Existing and North Port | 6.0 | 6.5 |
| 8 | Progress Report No. 1 | 6.0 | 6.0 |
| 9 | Technical design, specifications and tender documents for option selected for immediate port expansion | 9.0 | 9.5 |
| 10 | Assessment of the legal & institutional framework and of management & organisation | 9.0 | 9.5 |
| 11 | Feasibility study for the South Port expansion incl. Environmental Impact Assessment | 12.0 | 12.5 |
| 12 | Progress Report No. 2 | 12.0 | 12.0 |
| 13 | Proposal for legal and institutional framework including Draft Corporate Plan | 13.0 | 13.5 |
| 14 | Draft final report on port master planning, feasibility study and tender for expansion | 14.0 | 15.0 |
| 15 | Assistance during tendering of concession and implementation of proposals on legal & institutional strengthening and of corporate plan | 17.0 ongoing | 17.0 ongoing |
| 16 | Final report on complementary measures | 17.5 | 18.0 |

5.4 PLANNING FOR THE WHOLE DURATION OF THE PROJECT

5.4.1 Inputs

The revised staffing inputs to match the revised ToR are as follows:

| DESCRIPTION OF INPUT | | NUMBER OF MAN DAYS |
|----------------------|---------------|--------------------|
| Long term experts | Team Leader | 92 |
| | Senior expert | |
| | Junior expert | 177 |
| Short term experts | Senior expert | 481 |
| | Junior expert | 960 |
| TOTAL: | | 1,745 |

The Overall Plan of Operations is shown in Table 1.

The Overall Output Performance Plan is shown in Table 2.

5.4.2 Deliverables

The timing for the deliverables shall be as shown in Section 3.1 above.

5.5 CONSTRAINTS, RISKS AND ASSUMPTIONS

5.5.1 Risks listed in the ToR

A special security permit is needed for maps required as input for the Project with a scale of less than 1: 10,000. This might lead to a certain delay in submission.

There is a certain threat that information needed for a detailed assessment of important competing transport corridors, in particular the key determinants for modal and route choice such as time, cost, reliability and safety are kept confidential, so that own reasonable estimates would have to be applied.

While investments in quays and areas for the handling of dry cargo could be economically well justified, but perhaps not financially viable because raw material such as scrap and iron cannot bear high handling cost.

Also, the long lead time for financing a new rail access and the development of larger areas for the economic free zone could have an impeding impact on the financial viability of the Project.

There is a strong possibility that the Government of Kazakhstan, mainly for strategic reasons, considers the tendering and implementation of the Technical Assistance somewhat too time consuming and gives the go-ahead of the North expansion without waiting for the final results of the Master Plan and Feasibility Study or without full appreciation of the findings of the Project.

5.5.2 Further risks identified during the inception phase

The financial viability will depend on many factors. At this stage the traffic forecasts for the North Port show a wide range of possibilities over which AISCP has limited control. We shall develop a risk matrix identifying actions required to mitigate external risks.

The team assigned to the Project is committed to its utmost to deliver highly professional and convincing assistance and to maintain the closest possible co-operation with the Aktau International Sea Commercial Port to minimize these risks or similar factors that could possibly impede on successful work progress.

5.6 PLANNING FOR NEXT REPORTING PERIOD

The key dates during the next reporting period leading to Progress Report No.1 are:

- Conceptual Master Plan, 5/08/07
- Pre-feasibility Study, 5/09/07
- Traffic Forecast, 5/10/07
- Feasibility Study for North Port, 5/12/07
- Environmental Impact Assessment, 5/12/07
- Master Plan for Existing and North Port, 5/12/07
- Progress Report No. 1, 5/12/07

The Plan of Operations for the Next Reporting Period is shown in Table 3.

6 LIST OF SKETCHES

- SKETCH I. Phased development of the Conceptual Master Plan: Phase I
- SKETCH II. Phased development of the Conceptual Master Plan: Phase II
- SKETCH III. Phased development of the Conceptual Master Plan: Phase III
- SKETCH IV. Phased development of the Conceptual Master Plan: Phase IV
- SKETCH V. Phased development of the Conceptual Master Plan: Phase V
- SKETCH VI. Phased development of the Conceptual Master Plan: Phase VI
- SKETCH VII. Phased development of the Conceptual Master Plan: Phase VII

7 APPENDICES

- APPENDIX 01. Modified Terms of Reference
- APPENDIX 02. Minutes of Kick-off meetings 1-7
- APPENDIX 03. Minutes of Commencement Conference

TABLE 1: OVERALL PLAN OF OPERATIONS

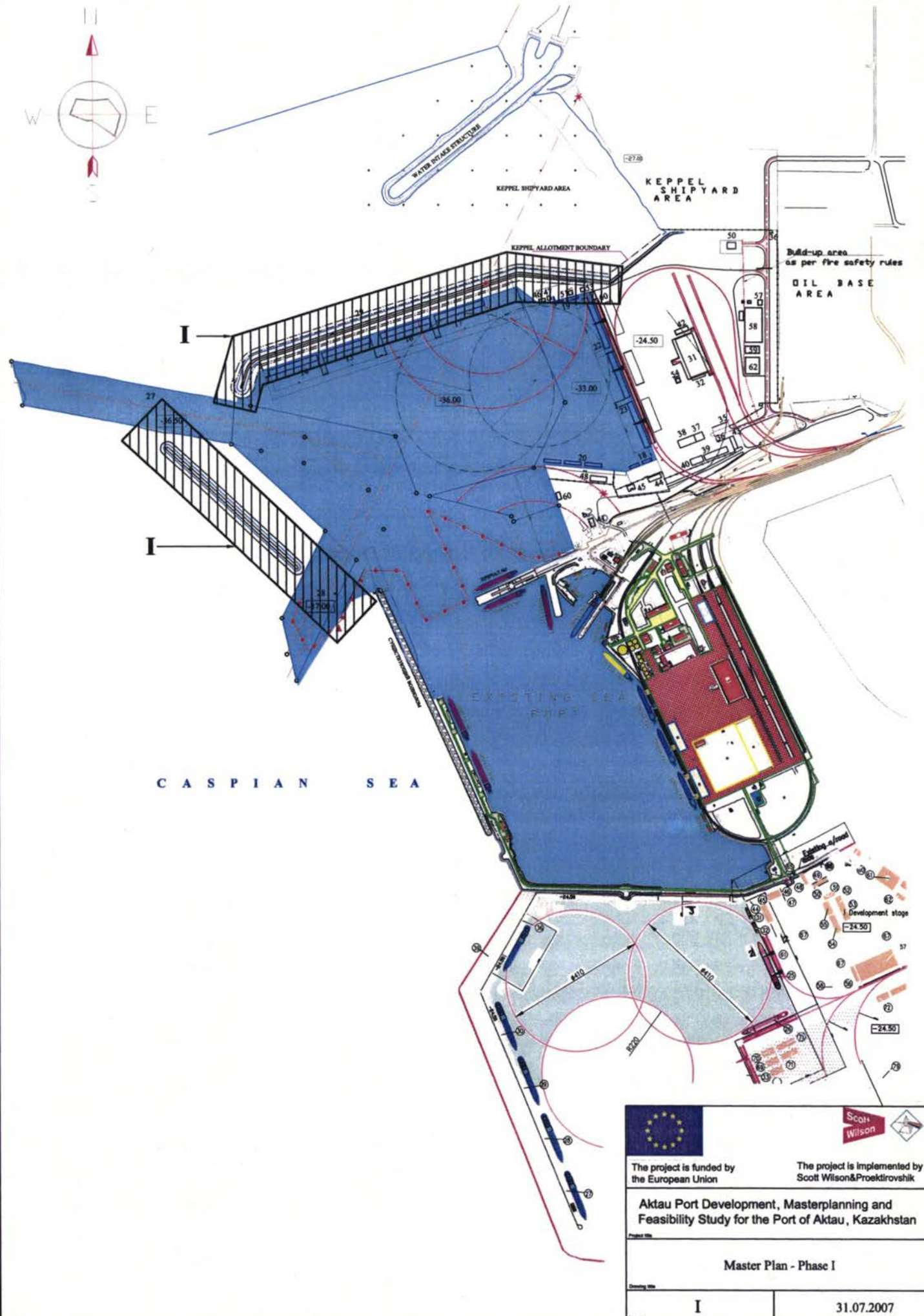
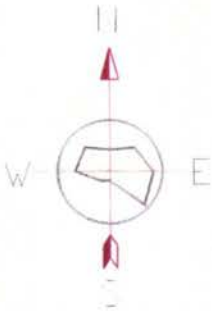
| Project title: Masterplanning and feasibility study for The port of Aktau, Kazakhstan | | | | | Project number: EuropeAid123967/C/SER/KZ | | | | | Country: Kazakhstan | | | | | Page: 1 of 1 | | | | | | | | | | | | | |
|--|-------------------------------------|------------|---|---|---|---|---|------|---|-----------------------------|----|----|----|---------------------------|------------------------------|-------|---|---|---|---|---|---|----|----|----|------------------|-----------------|--|
| Planning period : 5 th August 2007 to 5 th December 2008 | | | | | Prepared on : 5 th August 2007 | | | | | EC Consultant: Scott Wilson | | | | | | | | | | | | | | | | | | |
| Project objectives: The overall objective of the project is to deliver an independent appraisal of the future prospects of Aktau port together with a medium and long term master plan to meet the future prospects. Immediate requirements in the North Port will be developed into detailed design and tender documents. | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| No | MAIN ACTIVITIES | TIME FRAME | | | | | | | | | | | | INPUTS | | | | | | | | | | | | | | |
| | | 2007 | | | | | | 2008 | | | | | | PERSONNEL (man months) | EQUIPMENT AND MATERIAL | OTHER | | | | | | | | | | | | |
| | | 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10 | 11 | 12 | 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10 | 11 | 12 | EC Consultant | Counter Part | |
| | Inception report | | | | | | x | x | | | | | | | | | | | | | | | | | | | | |
| | Conceptual Master Plan | | | | | | x | x | | | | | | | | | | | | | | | | | | | | |
| | Pre-Feasibility Study of North Port | | | | | | | | x | | | | | | | | | | | | | | | | | | | |
| | Traffic Forecasts | | | | | | | | | x | | | | | | | | | | | | | | | | | | |
| | Feasibility Study for N. Port | | | | | | | | x | x | x | x | | | | | | | | | | | | | | | | |
| | Master Plan for N. Port | | | | | | | | x | x | x | x | | | | | | | | | | | | | | | | |
| | Tender Documents | | | | | | | | | | | x | x | | | | | | | | | | | | | | | |
| | Legal Framework | | | | | | | | | | | | | | | | | | | x | | | | | | | | |
| | Feasibility Study for S. Port | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| | Draft Corporate Plan | | | | | | | | | | | | | | | | | | x | x | x | | | | | | | |
| | Draft Final Report | | | | | | | | | | | | | | | | | | x | x | x | x | | | | | | |
| | FINAL REPORT | | | | | | | | | | | | | | | | | | | | | | | | | 789 | 960 | |

TABLE 2: OVERALL OUTPUT PERFORMANCE PLAN

| Project title: Masterplanning and Feasibility Study for the Port of Aktau, Kazakhstan | Project number: EuropeAid123967/C/SER/KZ | Country: Kazakhstan | Page: 1 of 1 |
|--|---|---|--------------|
| Planning period: 5 th August 2007 to 5 th December 2008 | Prepared on: 5 th August 2007 | EC Consultant: Scott Wilson | |
| OUTPUTS | AGREED OBJECTIVE VERIFIABLE INDICATORS | CONSTRAINS AND ASSUMPTIONS C/A | |
| <ul style="list-style-type: none"> ➤ Inception report-----5th August 2007 ➤ Conceptual Master Plan----5th August 2007 ➤ Pre-Feasibility Study of North Port -----5th September 2007 ➤ Traffic Forecasts----- 5th October 2007 ➤ Feasibility Study for N. Port-5th December 2007 ➤ Master Plan for N. Port----5th December 2007 ➤ Tender Documents-----5th March 2008 ➤ Legal Framework-----5th March 2008 ➤ Feasibility Study for S. Port-----5th June 2008 ➤ Draft Corporate Plan-----5th July 2008 ➤ Draft Final Report-----5th August 2008 ➤ FINAL REPORT----- 5th December 2008 | Reports submitted on time and subsequently accepted by Project Partner | Target dates to be reviewed in the light of new information and new dates agreed where applicable | |

TABLE 3: PLAN OF OPERATIONS FOR THE NEXT PERIOD (Work programme)

| | | | | | | | | | | | | | | | | | |
|--|--|---|---|---|---|-----------------------------|---|---|---|--------------|----|----|------------|------------------|-------------|------------------------------|-------|
| Project title: Masterplanning and Feasibility Study for the Port of Aktau, Kazakhstan | | Project number: EuropeAid123967/C/SER/KZ | | | | Country: Kazakhstan | | | | Page: 1 of 1 | | | | | | | |
| Planning period: 5 th August to 5 th December 2007 | | Prepared on: 5 th August 2007 | | | | EC Consultant: Scott Wilson | | | | | | | | | | | |
| Project objectives: The overall objective of the project is to deliver a detailed independent appraisal of future prospects of Aktau port together with a medium and long term master plan to meet the future prospects. Immediate requirements in the North Port will be developed into detailed design and tender documents. | | | | | | | | | | | | | | | | | |
| | | TIME FRAME | | | | | | | | | | | | INPUTS | | | |
| | | 2007 (months) | | | | | | | | | | | | PERSONNEL | | EQUIPMENT AND MATERIAL | OTHER |
| No | ACTIVITIES | 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10 | 11 | 12 | EC Consultant | Counterpart | | |
| | ➤ Inception report | | | | | | | | | | | | | | | | |
| | ➤ Conceptual Master Plan | | | | | | | | | | | | | | | | |
| | ➤ Pre-Feasibility Study of North Port | | | | | | | | | | | | | | | | |
| | ➤ Traffic Forecasts | | | | | | | | | | | | | | | | |
| | ➤ Feasibility Study for N. Port | | | | | | | | | | | | | | | | |
| | ➤ Master Plan for N. Port | | | | | | | | | | | | | | | | |
| | ➤ Tender Documents | | | | | | | | | | | | | | | | |
| | ➤ Progress Report No. 1 | | | | | | | | | | | | | | | | |
| | | | | | | | | | | | | | 263 | 320 | | | |
| TOTAL | | | | | | | | | | | | | | | | | |



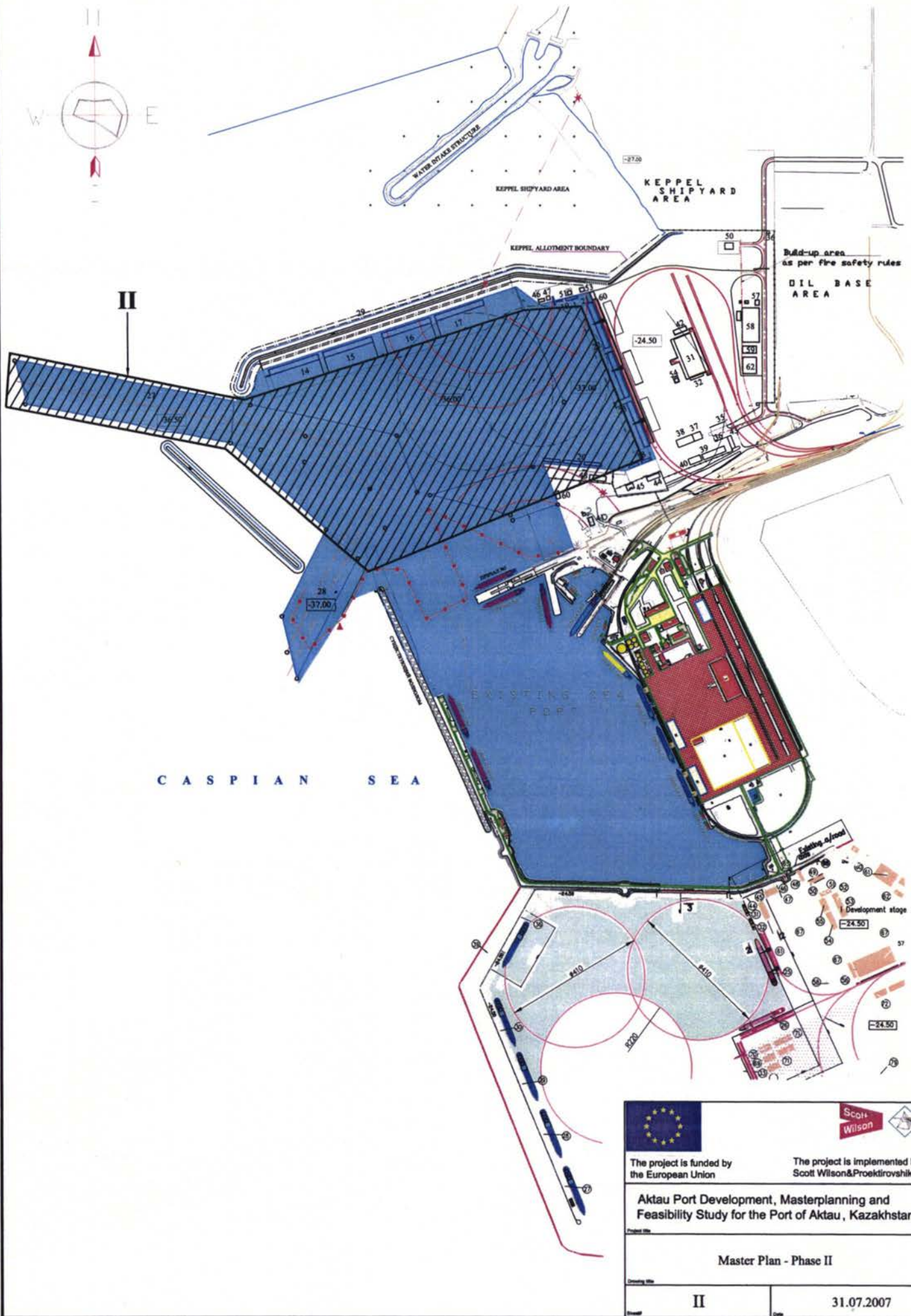
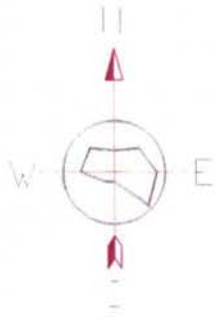
The project is funded by the European Union



The project is implemented by Scott Wilson & Proektirovshik

Aktau Port Development, Masterplanning and Feasibility Study for the Port of Aktau, Kazakhstan

| | |
|------------------------------|------------|
| Project title | |
| Master Plan - Phase I | |
| Drawing title | |
| I | 31.07.2007 |
| Sheet | Date |



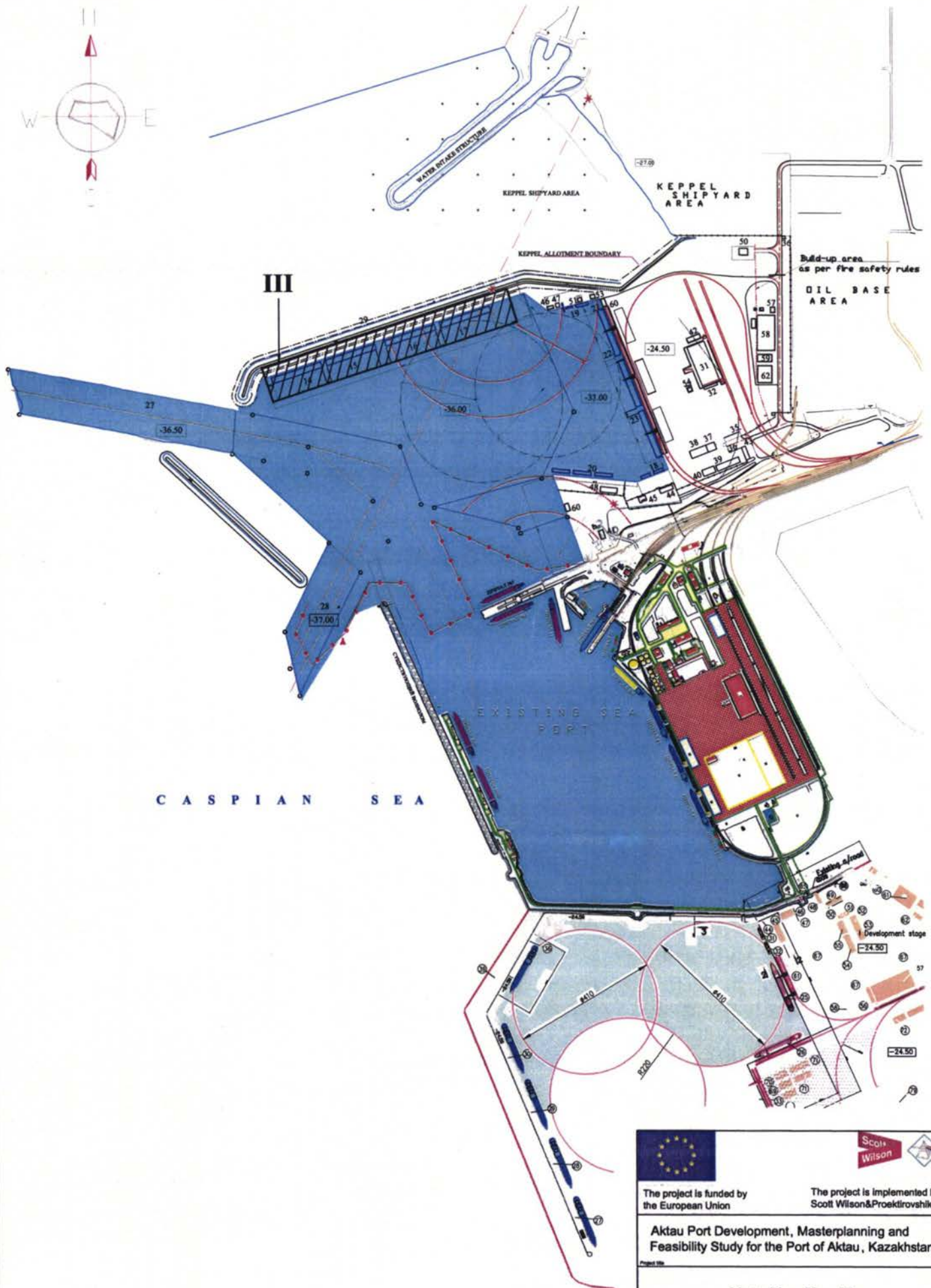
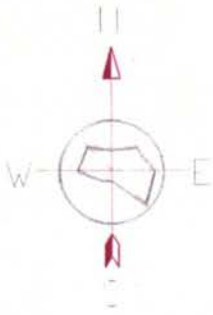
The project is funded by the European Union



The project is implemented by Scott Wilson & Proektirovshik

Aktau Port Development, Masterplanning and Feasibility Study for the Port of Aktau, Kazakhstan

| | |
|-------------------------------|------------|
| Project title | |
| Master Plan - Phase II | |
| Drawing title | II |
| Date | 31.07.2007 |



The project is funded by the European Union



The project is implemented by Scott Wilson & Proektirovshik

Aktau Port Development, Masterplanning and Feasibility Study for the Port of Aktau, Kazakhstan

Project title

Master Plan - Phase III

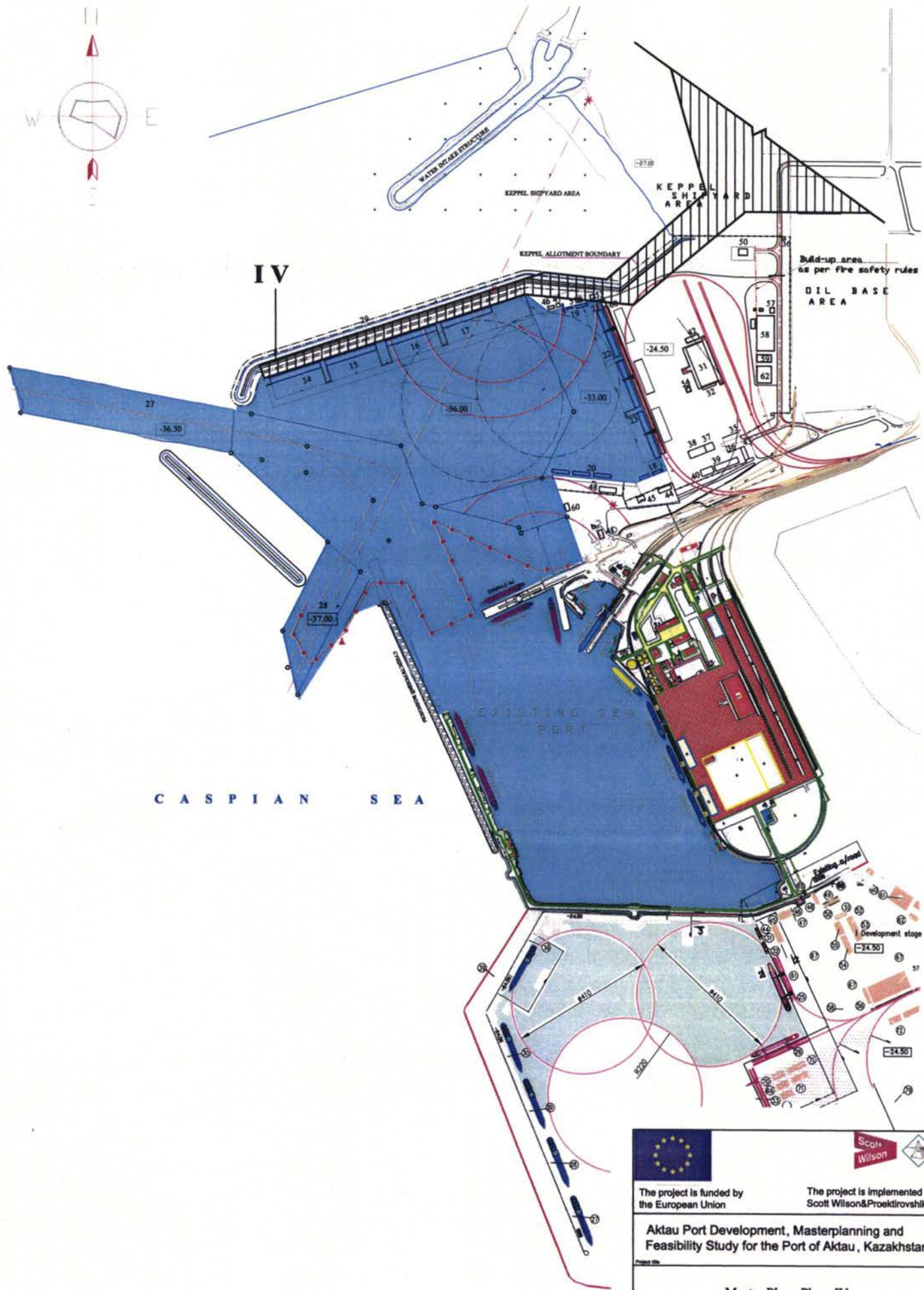
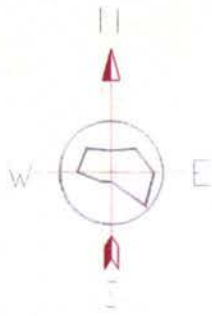
Drawing title

III

31.07.2007

Sheet

Date



C A S P I A N S E A

IV



The project is funded by the European Union



The project is implemented by Scott Wilson & Proektirovshik

Aktau Port Development, Masterplanning and Feasibility Study for the Port of Aktau, Kazakhstan

Project title

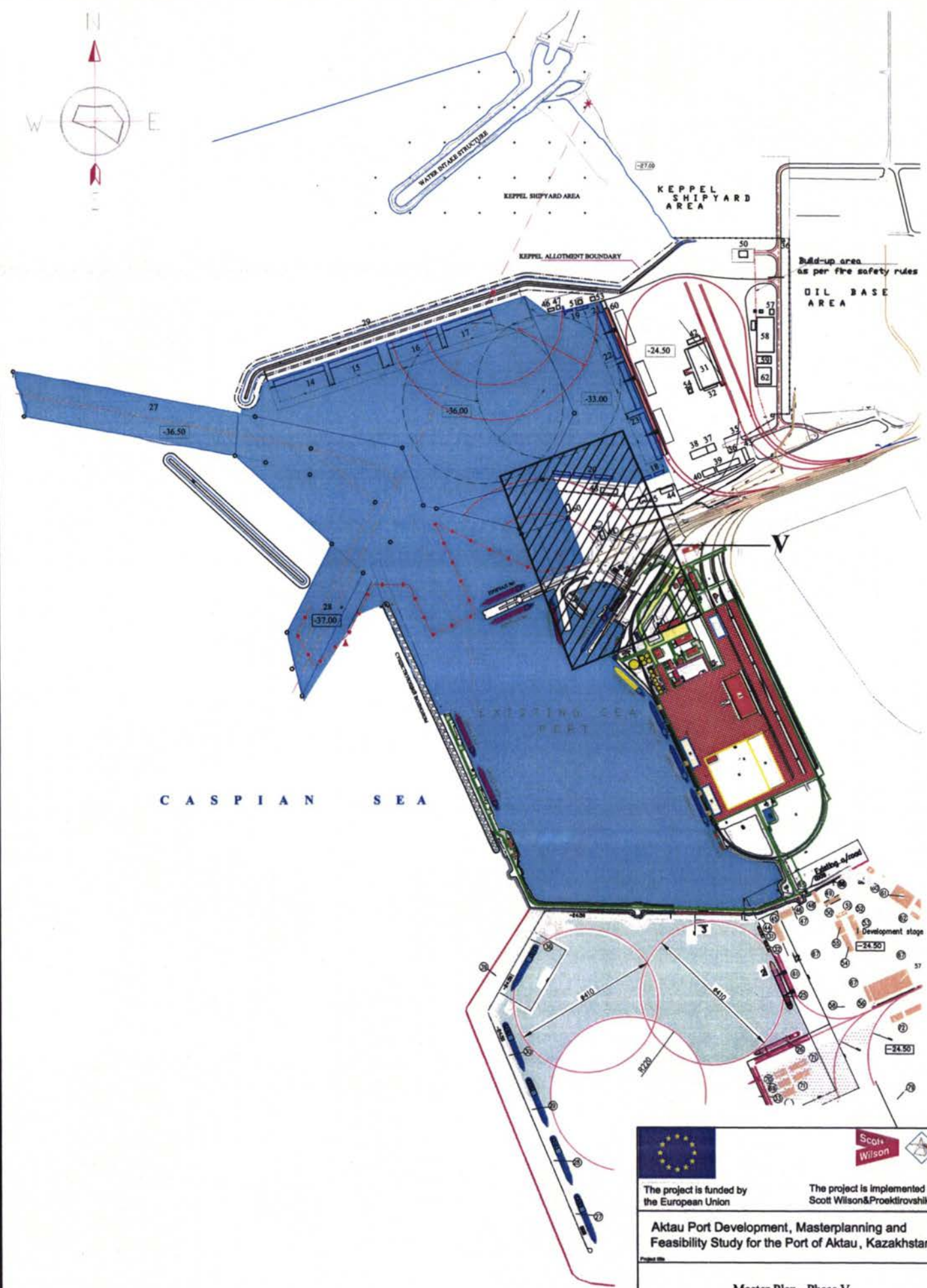
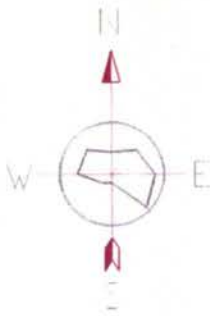
Master Plan - Phase IV

Drawing title

IV

31.07.2007

Sheet Date



C A S P I A N S E A



The project is funded by the European Union



The project is implemented by Scott Wilson & Proektirovshik

Aktau Port Development, Masterplanning and Feasibility Study for the Port of Aktau, Kazakhstan

Project title

Master Plan - Phase V

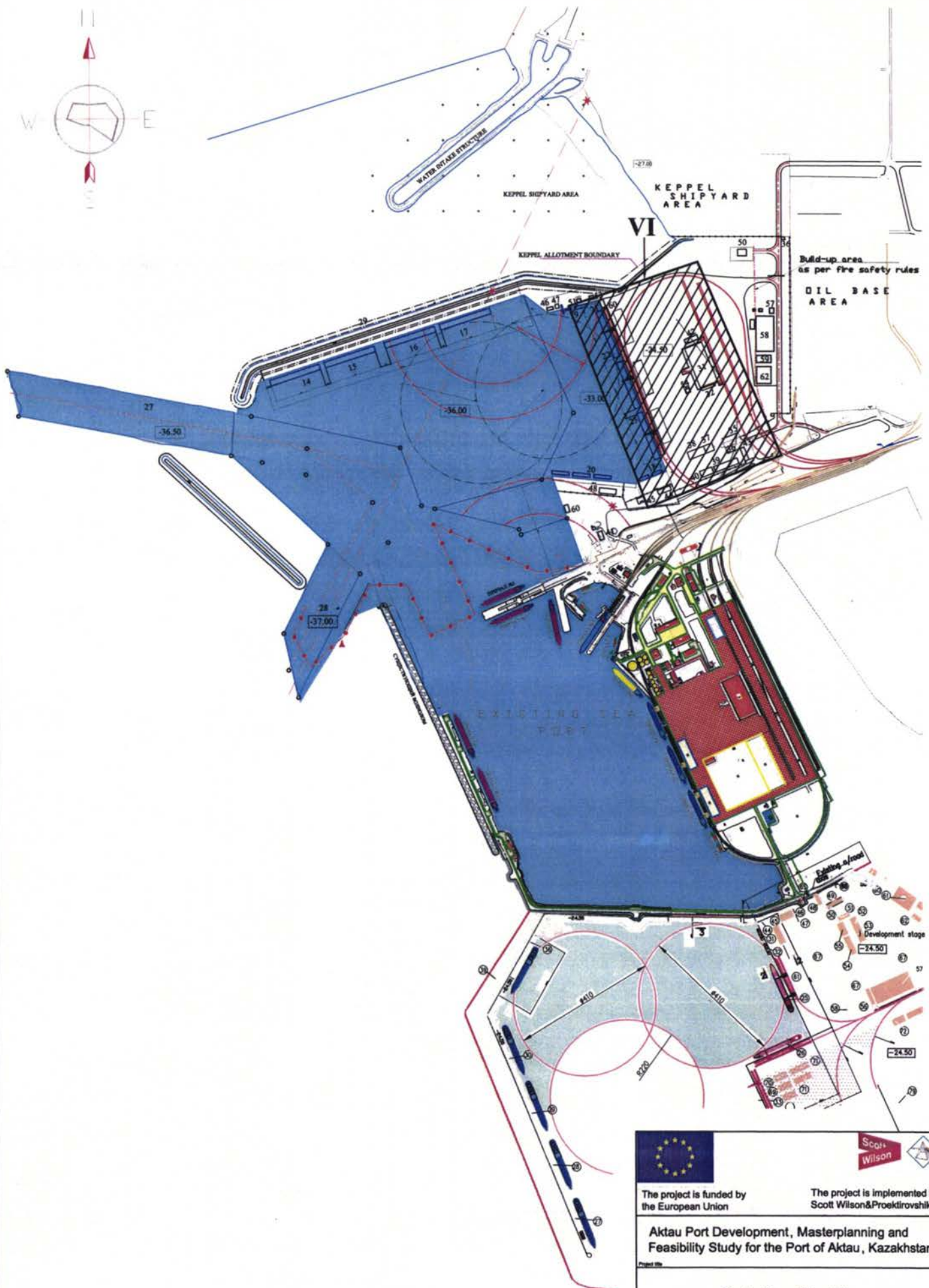
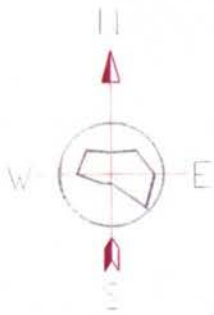
Drawing title

V

31.07.2007

Sheet

Date



The project is funded by the European Union

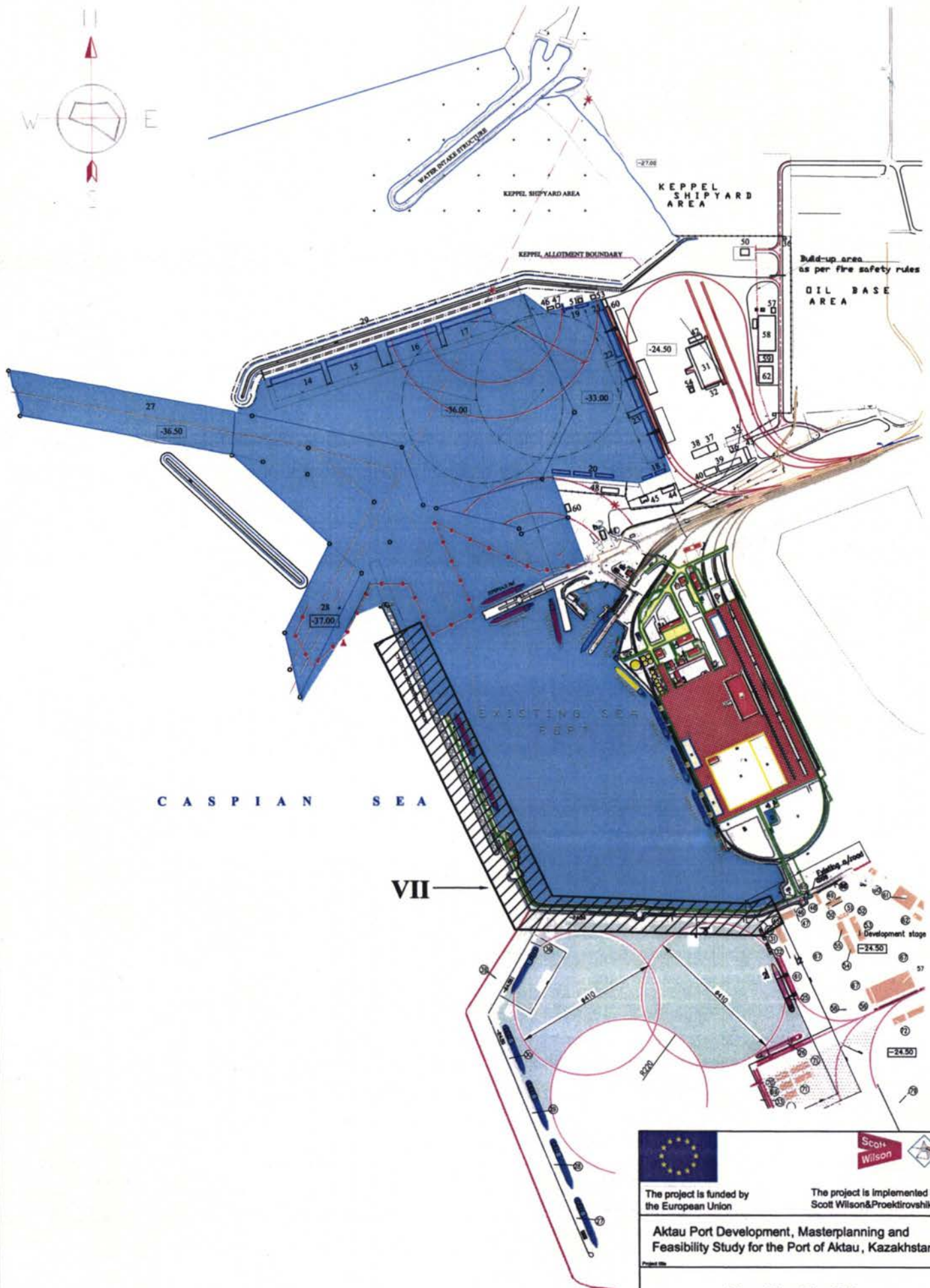
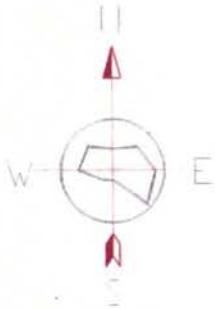


The project is implemented by Scott Wilson&Proektirovshik

Aktau Port Development, Masterplanning and Feasibility Study for the Port of Aktau, Kazakhstan

Project title
Master Plan - Phase VI

| | |
|----------------------------|---------------------------|
| Drawing title VI | Date 31.07.2007 |
|----------------------------|---------------------------|



| | | | |
|---|--|---|--|
|  | |  | |
| The project is funded by the European Union | | The project is implemented by Scott Wilson & Proektirovshik | |
| Aktau Port Development, Masterplanning and Feasibility Study for the Port of Aktau, Kazakhstan | | | |
| Project title: Master Plan - Phase VII | | | |
| Drawing title: VII | | Date: 31.07.2007 | |

EUROPEAN UNION – TACIS

**Terms of Reference
for the regional TACIS project**

**Aktau Port Development, Masterplanning and Feasibility Study for the Port of
Aktau, Kazakhstan**

Kazakhstan

Central Asian Action Programme 2005

ANNEX II: TERMS OF REFERENCE

| | | |
|--------|--|----|
| 1. | BACKGROUND INFORMATION..... | 1 |
| 1.1. | Beneficiary Country..... | 1 |
| 1.2. | Partner and Contracting Authority..... | 1 |
| 1.2.A. | Partner..... | 1 |
| 1.2.B. | Contracting Authority..... | 1 |
| 1.3. | Relevant background..... | 1 |
| 1.4. | Current situation of the Port of Aktau..... | 3 |
| 1.5. | Related programmes and other donor activities:..... | 5 |
| 2. | PROJECT OBJECTIVES & EXPECTED RESULTS..... | 6 |
| 2.1. | Overall objectives..... | 6 |
| 2.2. | Purpose..... | 7 |
| 2.3. | Results to be achieved by the Consultant..... | 7 |
| 3. | ASSUMPTIONS & RISKS..... | 7 |
| 3.1. | Assumptions underlying the project intervention..... | 7 |
| 3.2. | Risks..... | 8 |
| 4. | SCOPE OF THE WORK..... | 8 |
| 4.1. | General..... | 8 |
| 4.2. | Specific activities..... | 10 |
| 4.3. | Project management..... | 17 |
| 5. | LOGISTICS AND TIMING..... | 18 |
| 5.1. | Location..... | 18 |
| 5.2. | Commencement date & Period of execution..... | 19 |
| 6. | REQUIREMENTS..... | 20 |
| 6.1. | Personnel..... | 20 |
| 6.2. | Office accommodation..... | 24 |
| 6.3. | Facilities to be provided by the Consultant..... | 24 |
| 6.4. | Equipment..... | 24 |
| 6.5. | Incidental expenditure..... | 25 |
| 6.6. | Expenditure verification..... | 25 |
| 7. | REPORTS..... | 26 |
| 7.1. | Reporting requirements..... | 26 |
| 7.2. | Submission & approval of progress reports..... | 26 |
| 8. | MONITORING AND EVALUATION..... | 27 |
| 8.1. | Definition of indicators..... | 27 |
| 8.2. | Special requirements..... | 28 |

1. BACKGROUND INFORMATION

1.1. Beneficiary Country

The beneficiary country is the Republic of Kazakhstan.

1.2. Partner and Contracting Authority

1.2.A. Partner

Aktau International Sea Commercial Port, which is the beneficiary of the project.

1.2.B. Contracting Authority

The European Community, represented by the Commission of the European Communities, for and on behalf of the government of the Republic of Kazakhstan.

1.3. Relevant background

The European Union is supporting Kazakhstan's efforts to consolidate its democracy, to develop its economy and to complete the transition to a market economy. Those efforts also include the development of trade and integration into the world economy. The project in question will contribute to this development by strengthening the Port of Aktau as a service provider for foreign trade and transit traffic. Technical assistance to the Port of Aktau is also in line with the stipulations of the Partnership and Co-operation Agreement, Article 55, focussing inter alia on the modernization of port operations and the development of multimodal transport.

Kazakhstan is a signatory to the Multilateral Agreement on TRACECA (Transport Corridor Europe – Central Asia via South Caucasus). The Port of Aktau is the sea link of Kazakhstan in this corridor and the also the gateway to the landlocked countries of Central Asia, Kyrgyzstan, Tajikistan and Uzbekistan.

With more than 2.7 million square kilometres is Kazakhstan almost twice as large as Western Europe. The total population is about 15 million, which results in a population density of less than 6 persons per square kilometre.

In 2005 total GDP (Gross Domestic Product) was about 7,454 billion Tenge = about 46.73 billion EUR, equivalent to about 3.017 EUR per capita.

Table 1.3-1 shows the major economic indicators 2001 – 2005 (per cent increase per year).

Table 2.20 Major Economic Indicators, Kazakhstan, 2001–2005, %

| Item | 2001 | 2002 | 2003 | 2004 | 2005 |
|---------------------------------------|------|------|------|------|------|
| GDP growth | 13.5 | 9.8 | 9.2 | 9.5 | 9.5 |
| Gross domestic investment/GDP | 26.9 | 27.3 | 26.3 | 25.1 | 25.3 |
| Inflation rate (consumer price index) | 8.4 | 5.9 | 6.6 | 5.4 | 5.0 |
| Money supply (M3) growth | 45.1 | 32.8 | 26.8 | 23.4 | 18.4 |
| Fiscal balance/GDP | -0.4 | -0.3 | -0.9 | -1.9 | -1.0 |
| Merchandise export growth | -3.9 | 12.3 | 32.0 | 6.0 | 6.0 |
| Merchandise import growth | 11.1 | 1.6 | 18.4 | 12.4 | 6.8 |
| Current account balance/GDP | -5.0 | -2.8 | -0.2 | -1.1 | -0.6 |
| Debt service ratio | 37.5 | 35.2 | 34.2 | 33.6 | 32.3 |

Sources: Ministry of Economy and Budget Planning; Ministry of Finance; National Bank of Kazakhstan; National Statistical Agency; staff estimates.

In 2005 total external trade was about 23.2 billion EUR exports, fob and about 14.5 billion EUR imports, cif. Compared with 2003 both figures more than doubled, which underlines the very dynamic economic growth over the past years. According to recent forecasts this trend will continue.

Main commodities exported were crude oil, coal, natural gas, steel and wheat. Trade, that means both exports and imports were mainly directed to the Russian Federation and to China. Main mode of transport was rail, followed by pipeline and road.

It is obvious that a large country like Kazakhstan with comparatively long transport distances future economic growth can only be secured through a modern, high capacity and cost effective transport system. The Government of Kazakhstan (Government of Kazakhstan) is fully aware of this situation and has, therefore, approved a policy document in March 2006 a transport development strategy to 2015 with the objective not only to develop the national transport sector and to facilitate import and export of main commodities but also to attract transit cargo through the country in competition to corridors in other countries. In view of the large investment cost expected Government of Kazakhstan seeks funding through Public Private Partnership.

The strategy identifies the following transport corridors:

- TRACECA (Transport Corridor Europe – Central Asia via South Caucasus);
- North – South corridor;
- Central Asian corridor;
- Northern corridor;
- Southern corridor;
- Road corridor Kazakhstan-Uzbekistan-Turkmenistan-Iran-Pakistan;

Since the Port of Aktau is at the cross-road of the first two corridors, Government of Kazakhstan has launched a larger scale expansion programme for this port (please refer to Item 4.1. below) and plans also the expansion of the Port of Bautino and of the Port of Kuryk, both for the loading of crude oil for a yearly throughput of 5 million tonnes and 20 million tonnes, respectively.

While the export of crude oil is without doubt the driving force behind the investment programme for the Port of Aktau, it should be recognized that investments for dry cargo are also planned. These will benefit from the projects for oil exports due to the multi-purpose use of the port infrastructure such as breakwaters and the economies of scale in port management and operations.

1.4. Current situation of the Port of Aktau

The Port of Aktau was built in 1963 as a temporary facility in order to develop uranium deposits and oil fields of the Mangyshlak region of Kazakhstan. Later the Port had an important role in the construction of the BN-350 nuclear power station. It also had an impact on the development of the chemical industry and the construction sector of Aktau town. The development of the commercial port began after Kazakhstan's independence.

The first significant step was the Programme of Development and Reconstruction of Aktau port in 1997 – 1999, which was financed by the Government of Kazakhstan and the European Bank for Reconstruction & Development, which provided a loan of \$ 74 million (€ 61.6 m). As a result the port capacity was increased to about 10 million tonnes of crude oil and about 1.8 million tonnes of dry cargo per year.

The second important step was the Port Expansion Plan adopted by the Government of Kazakhstan at the end of 2005. It mainly consists of the construction of four berths for crude oil and four berths for dry cargo with back-up areas north of the existing port facilities. Port infrastructures such as breakwaters, dredging, filling etc. are financed by the Port [about \$ 100 million (€ 83.3 m)]. The construction work started in 2006 and is due to be completed by early 2009.

The existing berthing facilities of the Port are shown in Table 1.4-1 below, the main cargo handling equipment is listed in Table 1.4-2 and the total cargo throughput during 1996, 2000 and 2005 is shown in Table 1.4-3 (Source: Aktau International Sea Commercial Port).

As to be seen from the latter Table conventional dry cargo remained almost constant over the past four years. Therefore, the forecasts in this respect would have to be checked critically.

Table 1.4-1 Existing Berths at Aktau Port

| No. | Length m * | Width m ** | Max. Draft m | Main Cargo/Vessels Allocated |
|-----|---------------|---------------|-----------------|---------------------------------|
| 1 | 140 | 15 | 5.3 | General & Dry Bulk |
| 2 | 140 | 15 | 5.3 | General & Dry Bulk |
| 3 | 140 | 15 | 5.3 | General & Dry Bulk |
| 4 | 130 | 10 | 6.5 | Crude Oil |
| 5 | 130 | 10 | 6.5 | Crude Oil |
| 6 | 130 | 12 | 5.3 | Grain |
| 7 | 70 | 5 | 4.6 | Harbour Craft |
| 8 | 130 | 15 | 5.3 | Rail Ferry & Crude Oil |
| 9 | 170 | 15 | 5.3 | Crude oil |
| 10 | 170 | 15 | 7.0 | Crude oil |
| 11 | 100 | 25 | 4.6 | Crude oil |
| 12 | 80 | 5 | 4.6 | Harbour Craft |

Observation: * / Length = approximate dimensions;

**/ Width = approximate dimensions, back-up area not included;

Table 1.4-2 Main Cargo Handling Equipment

| | Type | Make | Capacity | Total # |
|----|----------------------|--------------------|-----------|---------|
| 1 | Quay crane | Kranbau Eberswalde | 10/20 t | 1 |
| 2 | Quay crane | Kranbau Eberswalde | 16/32 t | 1 |
| 3 | Quay crane | MAN-Takraf | 10/20 t | 3 |
| 4 | Mobile harbour crane | Liebherr LHM 150 | 36 t | 2 |
| 5 | Mobile harbour crane | Liebherr LHM 250 | 64 t | 1 |
| 6 | Industrial crane | Liebherr LTM1080 | 80 t | 1 |
| 7 | Terminal tractor | Sisu | 35 t | 4 |
| 8 | Trailer | Buiscar | 50 t | 12 |
| 9 | Heavy forklift truck | Kalmar, Sisu etc. | 16-28 t | 4 |
| 10 | Light forklift truck | Komatsu | 1.8 – 5.0 | 8 |

Table 1.4-3 Cargo Throughput 1996, 2000 and 2005 (Thousand Tonnes)

| Item | Commodity Group | 1996 | 2001 | 2005 |
|-----------|--|------------|--------------|---------------|
| 1. | Bulk Cargo | 125 | 5,100 | 8,950 |
| 1.1 | Liquid bulk cargo (mainly crude oil) | 101 | 5,000 | 8,900 |
| 1.2 | Dry bulk cargo (mainly grain) | 24 | 100 | 50 |
| 2. | General Cargo | 251 | 1,300 | 1,450 |
| 2.1 | Conventional g. c. (mainly steel products) | 247 | 1,100 | 1,100 |
| 2.2 | Rail-ferry cargo | 4 | 200 | 350 |
| 3. | Total Cargo | 376 | 6,400 | 10,400 |

In 2005 in total 1,700 commercial vessels called at the Port. Maximum vessel size dispatched are newly built tankers operated by the new National shipping line KazMorTransFlot with the following dimensions:

- Length 149 m;
- Beam 17 m;
- Max. draft 7 m;
- Displacement 12,000 tonnes dead weight

The crude oil arrives at Aktau per pipeline or train and is received at three large tank farms, from where the cargo is pumped to the oil jetties and loaded onto tankers. Main destination of the crude oil is Baku for onward transit to Turkey by pipeline.

Most of the dry cargo is steel for export to Iran. It is handled indirectly, meaning the cargo is unloaded from trains, stored in an open storage area or transit shed and then transferred to the quay, loaded and stowed on board.

The existing facilities are operated as a service port; this means that port administration, the estate management and port operations are combined within the Aktau International Sea Commercial Port. The concession for North port development let in 2006 has been

cancelled in 2007. Government Decree in 2007 prevents any concession in Aktau Port. Since the Port does not get any concession fee – notwithstanding the harbour dues collected from an increasing number of vessel calls – the future role and functions of the Port in relation to Government of Kazakhstan and private sector will have to be studied and a proposal has to be elaborated on the legal and institutional environment or framework of the Aktau International Sea Commercial Port.

The Aktau International Sea Commercial Port on the basis of economic control rights of Ministry of Transport of Kazakhstan Republic was established as per Resolution of Kazakhstan Republic Government No. 356 dated March 26, 1996. Ministry of Transport and Communication of Kazakhstan Republic has been established as an authorised state body in accordance with Resolution of Kazakhstan Republic Government No 644 dated April 23, 1997 "Issues related to RSE "Aktau Sea Port" to act as legal entity of state ownership with regard to RSE "Aktau International Sea Commercial Port" and therefore was re-registered as legal entity. RSE "AISCP" has received the status of international sea port in accordance with Resolution of Kazakhtsan Republic Government No 768 dated July 31, 2003 "On ranking of Aktau Sea Port as a sea port of international importance" and has been renamed to RSE "Aktau International Sea Commercial Port" on the basis of economic control rights of Ministry of Transport and Communication of Kazakhstan Republic.

The Aktau International Sea Commercial Port has a world class management team and a highly skilled work force. Total number of employees is about 480, 250 of which are employed in the cargo handling division. The company works in line with a quality management system certified under ISO 9001 (International Standards Organization) and applies also an Environmental Quality Management System in compliance with (International Standards Organisation) 14001.

While modern management systems are applied, it appears the present Electronic Data Processing systems applied are *stand alones* and sub-optimal – looking at it from a modern port management point of view. Therefore, a review of the existing systems and a proposal for a more comprehensive and integrated system will have to be studied.

Since 01. 01. 2003 a special Economic Zone "Sea Port Aktau" exists to give preferential customs duties and taxation conditions, to facilitate value added services with the Port and to attract transit cargo through the Port. Due to the limited space available at present, it is the intention to enlarge the zone substantially.

Based upon comprehensive market research the Port has identified the future cargo potential for the existing port facilities, the North expansion as well as for the South expansion as per **Annex No. 1** and has, therefore, entered into the planning and preliminary design for the latter Project. **Annex No. 2** gives the layout of the existing port.

The existing port facilities offer 75,000 m² open storage area and about 6,000 m² warehouse space.

1.5. Related programmes and other donor activities:

As said before, the Government of Kazakhstan together with the European Bank for Reconstruction & Development had implemented a programme of development and reconstruction of the Port of Aktau in 1997 – 1999. The loan – under guarantee of the Government of Kazakhstan - of about \$ 74 million (€ 66.6m) contributed to the

modernization and renewal of infrastructure and improvement of the management of the Port of Aktau.

The Master Planning and Feasibility Study will identify priorities and pave the way for further port development and investments.

Between 1999 and 2001 TACIS / TRACECA (Transport Corridor Europe – Central Asia via South Caucasus) implemented a project Traffic Forecasting and Feasibility Studies.

In May 2000 TACIS financed a Feasibility Study for the Redevelopment of the Aktau Ferry Terminal (TNREG 9803). In December 2001 TACIS also completed a Feasibility Study for the development of new Caspian shipping services.

In 2003 the EU has supported the Port of Aktau through the Project "Supply of Navigational Aid Equipment" and the accompanying component "Navigational Aid Equipment – Supervision and Training".

Another EU funded project has already started in the framework of TRACECA (Transport Corridor Europe – Central Asia via South Caucasus) interstate programme addressed the training needs of the maritime transport sector in the TRACECA region and will also give guidance to the development of an efficient maritime training centre in the Port of Aktau, enabling to deliver training according to latest IMO and European Commission standards.

For related past, current and planned TRACECA (Transport Corridor Europe – Central Asia via South Caucasus) projects please refer to the website: <http://www.traceca-org.org>.

2. PROJECT OBJECTIVES & EXPECTED RESULTS

2.1. Overall objectives

The overall objective of the project is to deliver a detailed independent appraisal of future prospects of Aktau port with regard to the following overall / development objectives:

- Integration of Kazakhstan into the international maritime transport system;
- Enhancing the ports attractiveness as an important link for relevant transport sector players;
- Strengthening of the Aktau port's strategic role in the Central Asian Region, taking advantage of its unique geographic location;
- Development of various transport routes with an access to the Black Sea ports via Volga-Don Channel, as well as through the Caucasus;
- Strengthening of Aktau port's role in the international trade of Central Asia and elsewhere;
- Reduction of transportation costs;
- Facilitation of further investment, including private capital;
- Review ownership and management structure of Aktau Port.

2.2. Purpose

The specific objectives of this project is to render highly professional consulting engineering services for a Master Plan and Feasibility Study for the expansion of the Port of Aktau and management consulting services for the legal, institutional, organisational and management strengthening of the Aktau International Sea Commercial Port including a proposal for Public Private Partnership for the management of the South terminal.

2.3. Results to be achieved by the Consultant

As a result of the project the following studies and tasks must be undertaken by the successful tenderer:

- Traffic Forecast for the years 2010, 2015 and 2020 including modal split, shipping forecast and container forecast as well as assessment of the traffic potential for the economic free zone and logistics centre;
- Phased Master Plan and access transportation lanes for the development of the Port till 2020 based on the assessment of the existing facilities, the North expansion under construction and the traffic potential;
- Feasibility Study for the short to medium term development of the Port (mainly north and south port expansions, economic free zone and logistics centre) in coordination with interested International Financing institutions;
- Technical and tender documentation for construction of basic port facilities for the North Port, taking account of the work already completed on the North Port;
- Proposal for the legal and institutional strengthening of Aktau Port to create a structure able to attract private funding;
- Integrated corporate Plan for the Aktau International Sea Commercial Port with focus on further management and organisational strengthening, marketing and Management Information System also as a response to increased intra-port competition.

To ensure sustainability and dissemination of project results, the Consultant must observe the **EU Visibility Guidelines for External Actions**, available on the European Commission Delegation website <http://www.delkaz.cec.eu.int>.

3. ASSUMPTIONS & RISKS

3.1. Assumptions underlying the project intervention

As was the case with previous transport projects politic support not only from the GoK but also from the neighbouring countries will remain a main factor to achieve the expected results with particular regard to information generation on competing transport corridors and traffic forecasting. The GoK and AISCP expressed their will to co-operate where appropriate and take actions in the priority areas. These will have to be identified during

the Project in legal terms, institutional reforms and in form of necessary resource allocation.

Another assumption is the continued political stability, institutional capacity and economic development in the Region as transport demand is directly related to the economic well-being of the region. An impact assessment of those political, institutional and economic risks will be an inherent part of this Project.

3.2. Risks

Usual risks would perhaps include:

- A special security permit is needed for maps required as input for the Project with a scale of less than 1 : 10,000. This might lead to a certain delay in submission.
- There is a certain threat that information needed for a detailed assessment of important competing transport corridors, in particular the key determinants for modal and route choice such as time, cost, reliability and safety are kept confidential, so that own reasonable estimates would have to be applied.
- While investments in quays and areas for the handling of dry cargo could be economically well justified, but perhaps not financially viable because raw material such as scrap and iron cannot bear high handling cost. Also, the long lead time for financing a new rail access and the development of larger areas for the economic free zone could have an impeding impact on the financial viability of the Project.
- There is a strong possibility that the Government of Kazakhstan, mainly for strategic reasons, considers the tendering and implementation of the Technical Assistance somewhat too time consuming and gives the go-ahead of the North expansion without waiting for the final results of the Master Plan and Feasibility Study or without full appreciation of the findings of the Project.

Therefore, the team assigned to the Project is committed to its utmost to deliver highly professional and convincing assistance and to maintain the closest possible co-operation with the Aktau International Sea Commercial Port to minimize these risks or similar factors that could possibly impede on successful work progress.

4. SCOPE OF THE WORK

4.1. General

4.1.1. Project description

The technical and management assistance shall be related to the future development of the Port of Aktau with focus on the development of a medium to long term **Master Plan** for the whole port area and on a detailed **feasibility study** for the North and South expansion of the Port, which is expected to cover the medium traffic demand and which could be developed through a Public Private Partnership model.

In addition to these main tasks the team will support the Port in the **legal and institutional strengthening** of the Aktau International Sea Commercial Port so as to

harmonize the relationship between the Government of Kazakhstan, the Port and private sector and in the **further organisational and management strengthening** of the Port.

Currently the Port operates at the margin of its capacities. Therefore, it is planned to expand the port facilities as follows:

| | Existing Port Facilities | 2010 incl. North Expansion | 2015 incl. North & South Expansion |
|------------------------|---------------------------------|-----------------------------------|---|
| Capacity for oil | 10.0 million t | 20.0 million t | 30.0 million t |
| Capacity for dry cargo | 1.8 million t | 3.0 million t | 4.2 million t |

While all three harbour basins will have an easy approach from the sea, there is only one railway line to feed the whole Port. As most of the cargo arrives by rail the Master Plan study will have to assess the existing rail connection, analyse train arrival patterns and will propose adequate rail connections and sidings with sufficient transit and holding capacity to cope with future expected traffic for full trains and wagon groups as per modal split.

The Port plans an economic free zone as part of the South Expansion in order to enhance the attractiveness of the Port also for transit cargo and has in mind also the establishment of a Logistics Centre for physical distribution and consolidation of cargo in the interest of more value added port services. These two issues will have to be duly considered when designing quays, back-up areas, road and rail access.

The main advantage of the Master Plan would be that long term development can take place in a well coordinated way and that development options and financial are identified - for example universal or multi-purpose harbour basins versus specialized ones or on-shore solutions versus off-shore solutions for the loading of crude oil.

The Feasibility Studies shall determine the scope, volume, feasibility and cost of dredging and reclamation works, construction of breakwaters, quays, areas, buildings, rail and road access, utility networks etc. and shall include a full Environmental Impact Assessment in line with prudent industry practice.

4.1.2. Geographical area to be covered

The management and technical assistance will be carried out in Aktau and home country of the consultants. Visits to Government agencies in Astana and to companies in Almaty and the industrial centres of the Country as well as to the other ports in Kazakhstan (Bautino/Mangyshlak, Kuryk and possibly others) are necessary.

For the assessment of ports of destination and origin at the Caspian Sea, the review of the market research with particular regard to competing transport corridors is advisable. It will be useful to visit Azerbaijan, Georgia, Turkmenistan, Uzbekistan, Iran and the Russian Federation together with representatives from the Aktau International Sea Commercial Port.

4.1.3. Target groups

The Project is targeted at the Aktau International Sea Commercial Port as main beneficiary.

The target group includes Government agencies such as Ministry of Transport and Communication and Ministry of Economy and Budget Planning, railway authority and operators, international financing agencies, Akimat of Aktau city and Mangystau oblast, shipping companies and container carriers, port authorities, forwarding agents in Kazakhstan and in the Region to be covered.

4.2. Specific activities

A list of minimum tasks and activities is outlined below. The Consultant is free to add any tasks that he considers suitable to better achieve project results and objectives.

The Consultant shall prepare a list of Technical Specifications of equipment, proposed by the Beneficiary, within first two months of the project implementation. This shall be submitted in both languages (Russian and English) to the European Commission Project Manager. The Contracting Authority will be in charge of tendering procedures.

4.2.1. *Assessment of Future Demand for the years 2010, 2015 and 2020 as basis for the Master Plan and for the Feasibility Study including among others:*

- Review of existing market research and traffic forecasts under full consideration of the comprehensive research already undertaken by the Aktau International Sea Commercial Port;
- Assessment of competing corridors / ports for main important commodities, places of origin and destination;
- Study of existing constraints such as draft restrictions or congestion at ports of destination for outgoing cargo or loading ports for incoming cargo;
- Assessment of future traffic demand for the Port of Aktau by main commodity or commodity group imported and exported as well as in transit for the forecast period;
- Assessment of future shipping and container forecast based upon the commodity forecast including comparison of shipping options for containers between Baku and Aktau (rail ferry, Roll-on/Roll-off cargo handling operations vessel or container/feeder vessel Lift-on/lift-off cargo handling operations)
- Estimation of traffic potential for the economic free zone and the logistics centre;
- Modal split analysis rail, road, pipeline including forecast of wagons and trucks;

- Sensivity tests as far as appropriate to support the most likely or realistic scenario through high and low estimates under consideration of prudent assessment of political, institutional and economic risks.

4.2.2. *Master Plan for the medium to long-term development of the Port of Aktau under consideration of the existing capacities and future demand including inter alia:*

- Assessment of the existing port and transport development policy under consideration of the envisaged development of other ports and/or transport corridors;
- Assessment of the port facilities (existing and under construction) including identification of existing constraints,
 - Breakwaters, harbour basin and access channel;
 - Quays, areas, rail and road access and other infrastructure;
 - Warehouses, workshop and other buildings, open storage areas;
 - Specialised terminals (grain, rail ferry and oil terminals and jetties);
 - Meteorological, hydrographical and nautical conditions;
 - Utilities (power and water supply, illumination, sewerage and sewage treatment, oil traps for workshop, cleaning areas and dangerous goods areas).
- Assessment of the existing port equipment (cargo handling equipment, marine craft, navigational aids, oil spill clean-up and other port equipment) including:
 - Technical description and condition;
 - Availability and utilization statistics per month 2005 and 2006;
 - Workshop services and maintenance systems;
 - Procurement of spare parts and consumables;
 - Discard and replacement criteria.
- Assessment of the existing port operations and traffic flow for rail ferry and conventional cargo handling operations including
 - Detailed commodity statistics during past 3 years;
 - Detailed statistics on ships traffic during past 3 years;
 - Detailed statistics on railway wagons and road vehicles dispatched;
 - Cargo handling system and cargo flow through the Port (modal split, direct/indirect handling system, shunting operations, operations pre-planning, monitoring and performance review);
 - Berth allocation and vessel traffic management system;
 - Detailed port performance indicators over the past 3 years;
 - Assessment of ancillary port services (if not mentioned otherwise).
- Assessment of existing port safety, environmental management procedures and emergency response plans including risk assessment of dispatch of dangerous substances and conventional cargo as well as ferries within one harbour basin;

- Assessment of the existing and future required cargo handling and storage capacities for main commodity groups (receipt/delivery, storage and berth throughput capacity), identification of existing constraints <if any> and assessment of potential how to optimize throughput capacity of existing terminal and terminal under construction;
- Study of a larger economic free zone and logistics centre next or near to the Port;
- Assessment of existing land use including ownership, short and long term leases and proposal for future port zoning and land use plan in co-ordination with the Akimat of Aktau and perhaps oblast;
- Assessment of the existing rail link between the railway station and the Port, shunting operations through KazCorTransService and train unloading operations by the oil industry;
- Assessment of existing oil reservoirs and main pipelines within the port area
- Summary of bottlenecks and constraints identified with a phased development proposal for a) upgrading existing facilities and systems and b) for expansion of facilities based upon the traffic forecast;
- Proposal for cargo assignment to the existing and future recommended facilities under consideration of possible advancements in cargo handling technology;
- Comparison between off-shore facility/ies (for example through Multi-buoy-mooring (off-shore) loading / discharging facility or Single-buoy-mooring (off-shore) loading / discharging facility) and on-shore facilities / jetties for the loading of crude oil including estimation of seaward savings through the employment of large tankers versus shoreward cost and consideration of site selection criteria for example on safety and environmental as well as capacity constraints through rough weather;
- Technical, operational and economic assessment of development options (including rough cost estimates; as far as relevant; for example under consideration of the economies of scale for tankers, bulk carriers and container / feeder vessels or investments in multi-purpose or universal facilities versus specialized terminals as well as pertinent site selection criteria in case of different potential sites for development);
- Preparation of supporting drawings, layouts and outline design report for recommended option / site;
- Advanced training of the Aktau International Sea Commercial Port officials and perhaps other as to be assessed by the Consultant

4.2.3. *Feasibility Study for the short to medium term development of the Port of Aktau, covering the existing port and proposed North and South Port expansions. These studies shall include:*

- Calculation of required handling and storage capacities;
- Cargo assignment and berth forecast;
- Operational concept including determination of traffic flow, rail and road access, risk assessment and safety concept as well as ancillary port services;
- Preliminary design documents for proposed port expansion including design report for port infrastructure, superstructure, equipment, development of area, utilities etc.;
- Preliminary design including:
 - Site plan, scale 1 : 2,000;
 - General layout, scale 1 : 500;
 - Phases for step-by-step construction;
 - Calculations of the structure of quay walls and breakwaters;
 - Calculations of the side slopes stability and settlements;
 - External engineering and utility networks: layout, profiles, details;
 - Structural drawings;
- Environmental impact assessment for the proposed development including:
 - Elaboration of Environmental Impact Assessment Programme (Scoping of Environmental Impact Assessment) which shall be approved by the National Environmental agency;
 - Establishment of data / analysis of the current state of the environment in the project area and evaluation of the sensitivity of protected goods;
 - Description and explanation of the project option considered;
 - Assessment of expected environmental impacts of the Project and its estimated significance including assessment of the efficiency of the use of natural resources;
 - Assessment of cumulative and secondary effects;
 - Environmental monitoring and environmental auditing concept;
 - Elaboration of Environmental Impact Assessment Statement (Environmental Impact Assessments);
 - Arrangement of public consultations;
 - Obtaining approval from the National Environmental Agency;
 - Structural drawings;
- Technical design documents, for those parts of the Port where expansion is shown to be feasible, including technical requirements, drawings and specifications for all port infrastructure measures for which the Port shall be responsible, that means excluding design of superstructure and equipment for which private sector will be in charge. General layout plan shall be arranged considering all facilities, including the facilities for which private sector is responsible. Technical specification of facilities under private

sector responsibility shall contain technical part describing structural concept of all parts of facilities.

The degree of detailing of drawings shall be sufficient to enable Aktau International Sea Commercial Port to evaluate the adequacy of the structures, utilities and installations and level of quality thereof as well as for acquiring the building permit. The detailing should be sufficient for the Consultant to get approval from Aktau International Sea Commercial Port and authorities concerned as well as for the preparation of the tender dossier and further to enable Aktau International Sea Commercial Port to arrange the tender.

Relevant drawings shall be prepared in line with prudent port engineering practice including:

- Situation;
 - General layout;
 - Dredging work, slope protection, layout, profiles;
 - Excavation and reclamation works, layout, cross-sections, profiles;
 - Breakwaters, layout, structure, profiles;
 - Access road, layout, cross-sections and profiles;
 - Rail access (from existing interchange siding to the new site), layout, cross-sections and profiles of lines, switches and crossings, signalling, safety and control equipment;
 - Quay structures, structure/implantation, coping beams, distribution plate, concrete reinforcement, utilities, layout, cross sections.
-
- Tender documents, for those parts of the Port where immediate expansion is shown to be feasible, in Russian and English language for international tender (possibly FIDIC based (Federation Internationale Des Ingenieurs Conseils) to be proposed by the Consultant in consultation with the Aktau International Sea Commercial Port) including:
 - *Volume 1* : Instruction to Tenderers, Form of Tender, Form of Tender Guarantee, Questionnaires to be filled in by the Tenderer, Glossary of Terms, Evaluation Grid;
 - *Volume 2* : Form of Contract, General Conditions of Project, Special and Particular Conditions of Project, Form of performance bond and advance payment and retention bond;
 - *Volume 3* : Technical Specifications;
 - *Volume 4* : Bill of Quantities;
 - *Volume 5* : Tender Drawings.
 - Estimation of investment and operating cost for infrastructure as well as superstructure and equipment;
 - Cost-benefit analysis and financial analysis for both, the primary contractor's and the Aktau International Sea Commercial Port's project components, as well as separately for the economic free zone and logistics centre;
 - Implementation schedule including milestones.

4.2.4. Financial analysis

The consultant will prepare a description and analysis of the financial position and prospects of the company (AISCP). To this end, the consultant will, *inter alia*:

- To compare the financial implications of various options/sub-projects.
- To assess the financial viability of the project/AISCP under different financing options.
Financial viability requires that the finances of AISCP, including the financing plan for the project, will be balanced at all times over the project execution period, i.e. operational revenues and contributions must be sufficient to finance all operation and maintenance costs, taxes and duties, required (and optional) investments, debt service obligations etc. This analysis shall be carried out in close co-operation with those responsible for financial management in AISCP.
- To prepare a financing plan.
- To test the sensitivity of the project/AISCP to different risks/scenarios.
- To show the ability of AISCP to fulfil its obligations under this project.

4.2.5. Model requirements

The Consultant will prepare a financial model to carry out the analysis described in the previous section. The model will be calculated annually in nominal terms in local currency, although outputs (e.g. financial statements) should be shown in both local currency and proposed currency of the loan.

The consultant should aim to make the model simple, clear and transparent, so that it can be easily understood and used by AISCP as well as by prospective financiers.

Outputs should be presented on a separate sheet and should include as a minimum:

- Summary Financial Statements (Turnover, EBDIT, Net Profit, Net Working Capital, Outstanding Debt, Operating Cash Flow, Cash Available for Debt Service, Debt Service, Cumulative Cash Balance).
- Key ratios: DSCR, tariff rises required (in real terms), current ratio and others if relevant.
- Financing Plan (by year)
- FIRR of investment components to the extent that incremental cash flows can be segregated.

4.2.6. Proposal for Legal and Institutional Strengthening of the Aktau International Sea Commercial Port, which should address at least:

- Assessment of existing legal and institutional weaknesses;
- Allocation of existing main port sector functions to the Government of Kazakhstan, Aktau International Sea Commercial Port and private sector (existing and future proposed);
- Comparison of most successful Public Private Partnership options for ports including identification of most common risks and pitfalls;
- Proposal for management and operation model and conditions for the new terminal identified in the Feasibility Study;
- Proposal for legal and institutional strengthening of the Aktau International Sea Commercial Port and for concession conditions or other formalities and modalities for the management and operation of the new terminal under due consideration of the new concession law that recently passed legislation;
- Road map / implementation schedule for tendering of the concession, securing financing of the Project, for construction of the terminal and perhaps supporting management assistance. *(Note that assistance during tendering of the concession of the terminal is not part of this contract).*

4.2.7. Draft Corporate Plan for the Aktau International Sea Commercial Port for a period of three years (e. g. 2008 to 2010) with focus on further management and organisational strengthening including:

- Study of organisational and management strengthening in furtherance to the proposed improved legal and institutional framework;
- Review of corporate and departmental objectives defined in the existing Total Quality Management Manual;
- Study of the impact of the North Expansion and South Expansion on the organisation and technical, operational, personnel and financial performance of the company;
- Study of the most appropriate management and operating structure and model for the existing terminal in the light of the intra-port competition through two new terminals (North and South expansion);
- Study of performance and productivity improvement plan with focus on modern cargo handling technologies;
- Review of the port marketing strategy to best tap the potential transport market possibly towards a more balanced traffic, broader diversification and a more market oriented pricing system including itemized unit cost and marginal pricing;

- Analysis of the existing Management Information System and proposal for an updated Information Technology-Plan towards a more integrated and advanced system including equipment & plant maintenance system and procurement & material management system, port performance indicators, management & cost accounting system including unit cost and itemized cost as well as key performance indicators for main divisions / activities;
- Updated investment plan, human resources plan and financial projection;
- Study of the demand for a port community system (POS = Information Technology system between Aktau International Sea Commercial Port, Customs and possibly other Government agencies, terminals, shipping companies and agents, forwarders and main shippers and receivers for EDI of documents and information);
- Action Plan including responsibilities, resource requirements and timing;
- Advanced training of Aktau International Sea Commercial Port officials and perhaps other as to be assessed by the Consultant;

4.3. Project management

4.3.1. Responsible body

The Delegation of the European Commission to the Republic of Kazakhstan, the Kyrgyz Republic and the Republic of Tajikistan", represented by the European Commission Project Manager, identified in the article 8 of the Special Conditions is responsible for managing this project.

The Project Partner is responsible for assisting the project implementation in the country. This will be the Aktau International Sea Commercial Port.

However, it is important to keep also contact with the Ministry of Transport and Communications; Kazakhstan Development Bank (KDB) and EBRD in co-ordination with the Aktau International Sea Commercial Port.

4.3.2. Management structure

The Consultant shall conduct official project **opening/closure conferences** at the beginning and at the end of implementation with the proper organised EU visibility, as well as project Steering Committee meetings on a quarterly basis.

The Consultant shall involve local experts from a Beneficiary country in the project team. They must be independent and shall not be on the payroll of the Project Partner.

The Consultant shall organise a **study tour** for participants from the Beneficiary country to familiarise themselves with the administration, management and operation of medium sized liquid bulk, dry bulk, container and steel port and terminals in Western Europe. A study tour group to selected terminals in Europe for a period of 10 to 14 days could consist of the following managers:

- Deputy Port Manager and Senior Civil Engineer;
- Operations Manager;
- Port Engineer/Mechanical Maintenance Manager;
- Commercial and/or Marketing Manager.

The Consultant shall organise quarterly **Steering Committee Meetings** for the involved specialists of the Aktau Port including top management, representatives of the Ministry of Transport and other interested institutions. The EC Project Manager will try to attend all Steering Committee Meetings.

4.3.3. Facilities to be provided by the Contracting Authority and/or other parties

The Project Partner will assist and facilitate the implementation of the project by providing (i) necessary contacts and liaison with local authorities, (ii) free access to all information and documentation required, (iii) the required counterpart staff and (iv) timely decision-making as required during project implementation. The Project Partner shall appoint a senior member of its staff to liaise with the Consultant and ensure that local staff of an appropriate level is made available to work alongside the staff of the Consultant. Staff of the Project Partner shall not be paid from project funds.

Since the Project Partner does not provide an office space to the Consultant, during all individual meetings, Steering Committee and progress meetings necessary rooms will be provided by the Aktau International Sea Commercial Port free of charge to the Consultant. The Aktau International Sea Commercial Port shall provide the Consultant's staff with gate passes for Aktau port and shall support the Consultant to obtain any permits necessary for visits, surveys, studies outside the port area.

Furthermore, the Project Partner will assist in obtaining customs clearances for the eventual Consultant's imported equipment necessary for the implementation of the project.

The Project Partner should also provide all possible assistance to solve unforeseen problems, which the Consultant may face. The possible failure to solve some of the Consultant's problems encountered locally will not free the Consultant from meeting its contractual obligations vis-à-vis the Contracting Authority.

5. LOGISTICS AND TIMING

5.1. Location

The project office will be based in Aktau.

The project area is the Port of Aktau, the Akimat of Aktau and Mangystau oblast.

In the course of the project implementation, travelling will be required to the European Commission Delegation in Almaty and other locations, as appropriate and agreed with the project manager, based on the project needs.

Visits are foreseen to ports, authorities and companies in the riparian countries of the Caspian Sea, in landlocked Central Asian States and perhaps in Georgia and others. The Consultant shall prepare a programme for these visits, which will be approved by the Aktau International Sea Commercial Port and the European Commission delegation.

5.2. Commencement date & Period of execution

The intended Commencement date is the second quarter of 2007, and the period of execution of the project will be 18 months. Please refer to Articles 4 and 5 of the Special Conditions for the actual commencement date and period of execution.

The indicative time schedule for project implementation is presented in the Table below (in completion months from commencement date):

Indicative Time Schedule for Project Implementation

| Item | Main Activity | Months (English) | Months (Russian) |
|------|--|------------------|------------------|
| 1 | Inception report | 2.0 | 2.0 |
| 2 | Conceptual master plan (based on existing traffic forecasts) | 2.0 | 2.5 |
| 3 | Pre-feasibility study for expansion (based on existing traffic forecast and studies) | 3.0 | 3.5 |
| 4 | Comprehensive traffic, shipping and container forecast | 4.0 | 4.5 |
| 5 | Feasibility study for the North Port expansion incl. Environmental Impact Assessment | 6.0 | 6.5 |
| 6 | Master Plan for Existing and North Port | 6.0 | 6.5 |
| 7 | Progress Report No. 1 | 6.0 | 6.0 |
| 8 | Technical design, specifications and tender documents for option selected for immediate port expansion | 9.0 | 9.5 |
| 9 | Assessment of the legal & institutional framework and of management & organisation | 9.0 | 9.5 |
| 10 | Feasibility study for the South Port expansion incl. Environmental Impact Assessment | 12.0 | 12.5 |
| 11 | Progress Report No. 2 | 12.0 | 12.0 |
| 12 | Proposal for legal and institutional framework including Draft Corporate | 13.0 | 13.5 |

| | | | |
|----|--|---------------------|---------------------|
| | Plan | | |
| 13 | Draft final report on port master planning, feasibility study and tender for expansion | 14.0 | 15.0 |
| 13 | Assistance during tendering of concession and implementation of proposals on legal & institutional strengthening and of corporate plan | 17.0 and ongoing | 17.0 and ongoing |
| 14 | Final report on complementary measures | 17.5 | 18.0 |

6. REQUIREMENTS

6.1. Personnel

The Consultant's staff should spend a maximum time in the Aktau countries to involve the beneficiaries, address their needs and transfer know-how. To this end, all major project activities, except for initial project mobilization, analysis and evaluation of surveys and soil investigations and study tour, should be carried out in Kazakhstan.

6.1.1. Key experts

All experts who have a crucial role in implementing the project are referred to as key experts. The profiles of the key experts for this project are as follows:

Specific professional experience (for all key experts):

Experience with investment projects.

Expertise related to sea port development.

Previous involvement in European Commission projects / knowledge of European Commission rules and procedures would be an asset.

Work experience in the countries of Eastern Europe, CIS countries (especially those in Central Asia) would be an advantage.

Language skills (for all key experts):

Fluency in spoken and written English is a must.

Knowledge of Russian would be an asset.

Key expert 1: Team Leader/Senior Port Engineer (Minimum input is 92 working/days)

The expert shall be responsible for the overall management of the Project including mobilization of resources, constitution of the Team, developing and confirming the final work plan so as to achieve the intended project output; managing and co-ordinating the day-to-day work of the project and liaison with the Aktau International Sea Commercial

Port; exercising financial and administrative control of the work of the team; providing the client with the management data necessary to monitor performance and to maintain effective time and cost control; communicating and co-operation with relevant parties; arranging the technical documentation of the Project.

Qualifications and skills

University degree in **engineering**. Team leader shall have the professional experience in the implementation of all institutional, organisational, operational, technical and financial aspects targeted by this project: Minimum 20 years practical experience requirement (including minimum 5 years experience as team leader / project manager) on major port, other relevant civil engineering or transport projects. The expert is fluent in English. Russian language skill would be an advantage. The expert shall provide evidence of the qualifications and acquired skills capability and previous experience to fulfil the tasks and responsibilities set for the Team Leader for this Project.

General professional experience

The expert has successfully managed at least **3** international port development projects during past 10 years. The expert shall provide evidence of the general professional experience.

Specific professional experience

The expert must be familiar with the planning and design of port infrastructure and superstructure including road and rail access. The expert shall be able to demonstrate the experience in EU contract procedures. Specific experience in development of economic free zones and logistics centres would be an asset.

Key expert 2: Senior Transport Economist (Minimum input is 168 working/days)

The expert shall be responsible for review of the existing market research prepared by the Aktau International Sea Commercial Port, the transport demand analysis and for the traffic, shipping and container forecast. Being also in charge of the cost benefit analysis he shall arrange all activities required for attaining the designated results, including conducting of studies, communicating with relevant parties and authorities in Kazakhstan and outside.

Qualifications and skills

University degree in **economics** with outstanding experience in transport or in transport with long-term experience with traffic forecasting and cost-benefit analysis.

General professional experience

The expert shall have at least 15 years of experience in traffic forecasting, feasibility studies and cost-benefit analysis with minimum of 10 years relevant international project experience. He/she shall provide evidence of the general professional experience.

Specific professional experience

The expert shall have relevant experience with similar transport projects in the Region including the assessment of economies of scale in shipping and shall have expert knowledge of EU regulations for feasibility studies, cost-benefit analysis as well as other EU legislation relevant to the Project. Specific experience in development of economic free zones and logistics centres would be an asset.

Key expert 3: Expert in port management, organisation and restructuring (Minimum input is 168 working/days)

The expert shall assess the existing legal and institutional environment of the Aktau International Sea Commercial Port and shall propose measures to update legislation (in view of the absence of by-laws or regulations on the application of the new law on concessions), regulations and to harmonize the relationship between Government of Kazakhstan, Aktau International Sea Commercial Port, Port contractors and private sector. He shall set up a management model and conditions for the planned South expansion terminal. He shall arrange all activities required for attaining the designated results, including conducting of studies, communicating with relevant parties and authorities in Kazakhstan in particular with Ministry of Transport and Communication and Ministry of Finance.

Qualifications and skills

The expert shall have a university degree relevant to the subject (in economics, or finance, or nautical science, or civil engineering public administration or others with outstanding background in the requested field). He shall provide evidence of capability and previous experience to fulfil the tasks and responsibilities set for the expert in port sector restructuring.

General professional experience

The expert shall have at least 15 years of experience in port and transport management and feasibility studies with minimum of 10 years relevant international project experience. He/she shall provide evidence of the general professional experience.

Specific professional experience

The expert must be familiar with the study, preparation, tendering and implementation of port and transport sector restructuring and privatization projects. The experience must include similar projects in Eastern Europe.

The Consultant is responsible to ensure that all necessary qualifications for the described tasks are covered.

Key expert 4: Port Engineer Designer (Minimum input is 177 working/days)

The expert will be responsible for managing the production of technical design documents including technical requirements, drawings and specifications for all port infrastructure measures for which the port shall be responsible: design of superstructure and equipment for which the private sector will be in charge.

The expert will be responsible for managing the preparation of tender documents for international tenders on facilities recommended for short term development in the Feasibility Study.

The expert will be responsible for liaising with local partner design companies and with the Short-term experts.

The Consultant is responsible to ensure that all necessary qualifications for the described tasks are covered.

6.1.2. Other experts

CVs for experts other than the key experts are not examined prior to the signature of the contract. They should not have been included in tenders.

The Consultant shall select and hire other experts as required according to the profiles identified in the Organisation & Methodology and/or these Terms of Reference. These profiles must indicate whether they are to be regarded as long-term/short-term and senior/junior so that it is clear which fee rate in the budget breakdown will apply to each profile. All experts must be independent and free from conflicts of interest in the responsibilities accorded to them.

The selection procedures used by the Consultant to select these other experts shall be transparent, and shall be based on pre-defined criteria, including professional qualifications, language skills and work experience. The findings of the selection panel shall be recorded. The selection of experts shall be subject to approval by the Contracting Authority.

Note that civil servants and other staff of the public administration of the beneficiary country cannot be recruited as experts, unless prior written approval has been obtained from the European Commission.

The selection of non-key experts is left to the discretion of the Consultant. It is expected, however, that short term experts are seconded to the Team from time to time as required – for example:

- Expert in harbour and marine engineering;
- Experts in geotechnics;
- Expert in hydrographics / dredging;
- Expert in environmental studies;
- Expert in port operations, safety and equipment;
- Expert in railway operations and engineering;
- Expert in port finance and marketing;
- Legal advisor;
- Information Technology / Management Information System Specialist.

The Consultant is requested to pay attention to the need to ensure the active participation of local professional skills where available, and a suitable mix of international and local staff in the project team.

All experts must be independent and free from conflicts of interest in the responsibilities accorded to them.

6.1.3. *Support staff & backstopping*

It is mandatory to have a backstopping available for this project. Backstopping costs are considered to be included in the fee rates. The costs of support staff must be included in the fee rates of the experts.

6.2. **Office accommodation**

Office accommodation of a reasonable standard and of approximately 10 square metres for each expert working on the project is to be provided by the Consultant.

The costs of the office accommodation are to be covered by the provision for incidental expenditure. The cost per square metre must be in line with the prevailing local market rate for office accommodation of a reasonable standard.

6.3. **Facilities to be provided by the Consultant**

The Consultant shall ensure that all experts are adequately supported and equipped. In particular it shall ensure that there is sufficient administrative, secretarial and interpreting provision to enable experts to concentrate on their primary responsibilities. It must also transfer funds as necessary to support its activities under the project and to ensure that its employees are paid regularly and in a timely fashion.

Furthermore, it shall ensure that basic office equipment (laptops, mobile phones etc.) is at the disposal of its experts. All these expenses are to be included in the fees.

If the Consultant is a consortium, the arrangements should allow for the maximum flexibility in project implementation. Arrangements offering each consortium partner a fixed percentage of the work to be undertaken under the project should be avoided.

As the field work is challenging, and accommodation during project execution will be basic the consultant has to give special attention to this.

6.4. **Equipment**

NO equipment is to be purchased on behalf of the Contracting Authority/beneficiary country as part of this service contract or transferred to the Contracting Authority/beneficiary country at the end of this project. Any equipment related to this project, which is to be acquired by the beneficiary country **must be purchased by means of a separate supply tender.**

6.5. Incidental expenditure

The Provision for incidental expenditure covers the eligible incidental expenditure incurred under this project. It cannot be used for costs which should be covered by the Consultant as part of its fee rates, as defined above. Its use is governed by the provisions in the General Conditions and the notes in Annex V of the projet. It covers:

- A) Travel costs and subsistence allowance for missions to be undertaken as part of this project to and from Aktau to destinations within Kazakhstan, outside Kazakhstan and Caspian countries;
- B) Office rent including heating, electricity, water supply and cleaning;
- C) Translation of relevant documents and studies, publications; interpretation services;
- D) Topographic and hydrographical surveys including boat and equipment hire;
- E) Soil investigations on shore and off shore including drilling of bore holes for testing and laboratory analysis of samples taken including software contribution for Environmental Impact Assessment;
- F) Study Tour, Conferences, Workshops, stakeholders and coordination meetings;
- G) Office running costs;

The Consultant is allowed to **sub-contract** services for works under D and E.

The Provision for incidental expenditure for this project is EUR 385,000. This amount must be included without modification in the Budget breakdown.

The Consultant will need **prior written approval** from the Contracting Authority before spending the funds related to following components within the Incidental Expenditure: (B), (D), (E) and (F).

No written approval from the Contracting Authority will be needed for spending funds related to the components (A), (C) and (G), however all supporting documents must be kept by the Consultant as indicated in art. 24 of the General Conditions for Service Contracts financed by the European Commission.

Any subsistence allowances to be paid for missions undertaken as part of this project to and from the base of operations in the beneficiary countries must not exceed the per diem rates published on the Web site http://europa.eu.int/comm/europeaid/index_en.htm at the start of each such mission.

6.6. Expenditure verification

The provision for expenditure verification relates to the fees of the auditor who has been charged with the expenditure verification of this project in order to proceed with the payment of pre-financing instalments if any and/or interim payments if any.

The provision for expenditure verification for this project is EUR 17,000.00. This amount must be included without modification in the Budget Breakdown.

7. REPORTS

7.1. Reporting requirements

Please refer to Article 26 of the General Conditions.

An Inception Report will be issued within 2 months of the start of the project. It shall summarize initial findings and propose any modifications to the methodology and work plan. It will also confirm or modify institutes/organisations/consulting bodies to be directly involved in the implementation.

Interim Progress Reports must be prepared every six months during the period of execution of the project. Thus, the First Progress Report must be prepared within 4 months after the inception phase. All Progress Reports must be provided along with the corresponding invoice, the financial report and an expenditure verification report defined in Article 28 of the General Conditions. There must be a final report, a final invoice and the financial report accompanied by an expenditure verification report at the end of the period of execution.

The Draft Final Report must be submitted at least one month before the end of the period of execution of the project.

Each report shall consist of a narrative section and a financial section. The financial section must contain details of the time inputs of the experts, of the incidental expenditure and of the provision for expenditure verification. The final report must be accompanied by the final invoice, the financial report and an expenditure verification report.

In addition, an updated financial report must be submitted with each of the above progress reports. The updated financial report must contain details of the time inputs of the experts and of the incidental expenditure. The final progress report must be accompanied by the final invoice and an audit certificate (as defined in Article 30 of the General Conditions and in accordance with the template in Annex VI of the project) confirming the final certified value of the project.

No report or document shall be distributed to third parties prior to the approval by the Project Manager. The Consultant shall pay particular attention to the confidentiality of data. Reports, as well as press statements, etc. made by the Consultant will make clear that any opinions expressed therein remain those of the Consultant and do not represent the opinion of the European Commission.

Working Papers on issues covered by the project should be prepared regularly and discussed with the beneficiaries.

Copyright on all reports and other material prepared under this project shall reside with the European Commission.

7.2. Submission & approval of progress reports

The inception report, progress reports and the final report shall be submitted by the Consultant to:

| Item | Recipient | No. of Copies (English) | No. of Copies (Russian) |
|------|---|-------------------------|-------------------------|
| 1 | The Project Manager of the European Commission Delegation in Almaty | 2 | 1 |
| 2 | TACIS Monitoring Group, Almaty | 1 | 1 |
| 3 | IGC TRACECA Permanent Secretariat in Baku, Azerbaijan | 1 | 1 |
| 4 | Ministry of Transport and Communication | 2 | 2 |
| 5 | Aktau International Sea Commercial Port | 5 | 5 |

The reports will be prepared in English and Russian. All reports will be submitted in hard copy and electronic format (such as MS Word or compatible).

The Consultant is to provide reports directly to key beneficiaries, which may substitute for some of the reports to be distributed other than according to the table above. Lists of addressees for each issue of the reports are to be provided to the Project Manager.

All text must be composed with **common and scannable** fonts, including tables, maps, diagrammes, drawings, etc.

The Consultant is to compose and provide in his Technical Proposal a schedule of separate deliverables appropriate to specific technical and commercial components of the project. Formal draft versions are not required, but the Consultant should carefully discuss the proposed contents with, and provide draft extracts upon request to the European Commission Project Manager, before issuing deliverables.

Approval of Reports: The Project Manager is the only authorised person for the approval of all reports.

All Reports must include an Executive Summary, and be written in of high quality English and Russian, delivered on time. The reporting dates in these Terms of Reference are for the delivery of the Russian language text and the English language text to be provided at the same time.

The Consultant must observe the EU **Visibility Guidelines for External Actions, *inter alia* available on the EC Delegation website <http://www.delkaz.cec.eu.int>**

8. MONITORING AND EVALUATION

8.1. Definition of indicators

The Consultant shall incorporate monitoring mechanisms for periodic assessment of the progress of the project components. These mechanisms shall be specified in the project plan and the observed performance shall be described in the periodic progress reports.

The essential points to be monitored are:

- deviations of milestones and deliverables from their planned dates;
- adherence to the work plan in terms of content of the activities actually carried out;
- deviations in effort needed to complete an activity, as compared to plan;
- introduction of work not initially planned;
- shifting of the common understanding of the objectives and priorities between

Consultant

and recipient;

- appearance of unexpected difficulties likely to require special measure or shift of project resources;

8.2. Special requirements

All reports, correspondence, certificates and other documents shall be stored and available for submission also in digital format, tables and forms shall be in calculable format.

The Consultant shall submit to the Aktau International Sea Commercial Port the tender documents for the expansion of the Port in 5 (five) hard copies and in 5 (five) copies on CD. The number of copies on paper and in digital format of other documents shall be determined and mutually agreed upon during project implementation. The Consultant would be entitled to charge other documents on a cost plus basis.

The data exchanged digitally shall be in the following format:

- Text documents in MS Word 6/95 or later;
- Sheets in MS Excel 5.0/95 or later;
- Drawings in AutoCAD up-to-date;
- Other formats as well as the use of a project data bank and other arrangements shall be decided upon on the inception meeting.

Annex 1 – Aktau Port Traffic Projection

Aktau International Sea Commercial Port Internal Traffic Projection – Crude Oil (Thousand Tonnes; rounded figures)

| Item | Terminal | 2006 | 2010 | 2015 |
|------|--------------------------------|--------------|---------------|---------------|
| 1 | Existing Terminal | 9,600 | 10,000 | 10,000 |
| 2 | North Expansion | --- | 7,600 | 9,200 |
| 3 | South Expansion | --- | 6,700 | 9,000 |
| 4 | Total 1 - 3 | 9,600 | 24,300 | 28,200 |
| 5 | <i>Actual/Planned Capacity</i> | 10,000 | 30,000 * | 30,000 * |

*/ 10 million tonnes each for North and South Expansion projects;

Aktau International Sea Commercial Port Internal Traffic Projection – Conventional Dry Cargo Existing Terminal * (Thousand Tonnes; rounded figures)

| Item | Commodity Group | 2006 | 2010 | 2015 |
|------|---------------------------|--------------|--------------|--------------|
| 1 | Metals (Mittall, Kasting) | 1,400 | 1,300 | 1,300 |
| 2 | Grain | 500 | 500 | 500 |
| 3 | Total | 1,900 | 1,800 | 1,800 |
| 4 | <i>Existing Capacity</i> | 1,800 | 1,800 | 1,800 |

*/ Rail ferry terminal not included;

Aktau International Sea Commercial Port Internal Traffic Projection – Dry Cargo North Expansion (Thousand Tonnes; rounded figures)

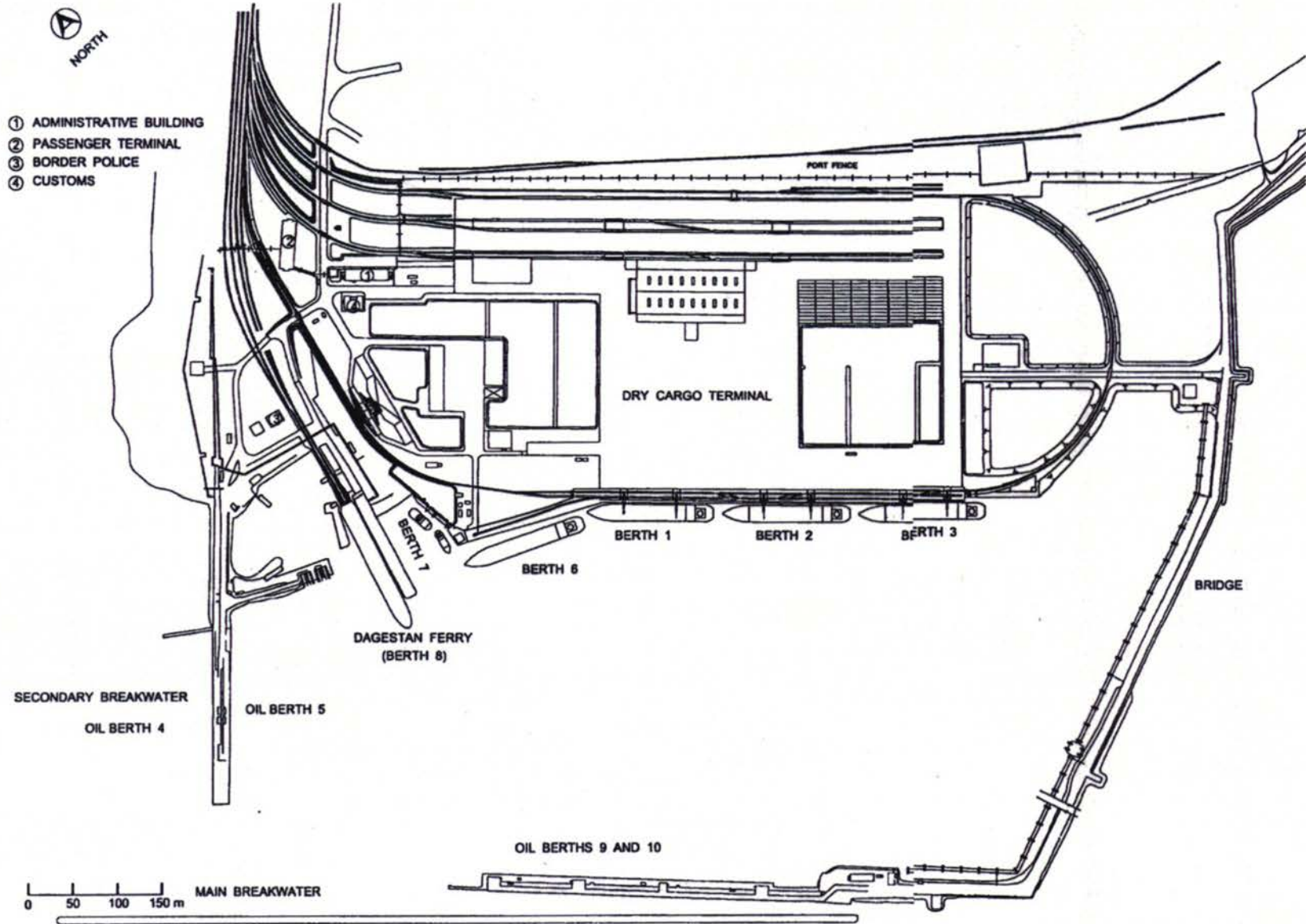
| Item | Commodity Group | 2006 | 2010 | 2015 |
|------|-------------------------|------|--------------|--------------|
| 1 | Other Metals | --- | 200 | 300 |
| 2 | Containers | --- | 100 | 100 |
| 3 | Scrap | --- | 500 | 500 |
| 4 | Food | --- | 100 | 200 |
| 5 | Sulphur | --- | 300 | 400 |
| 6 | Total | | 1,200 | 1,500 |
| 7 | <i>Planned Capacity</i> | --- | 1,600 | 1,600 |

Aktau International Sea Commercial Port Internal Traffic Projection – Dry Cargo South Expansion (Thousand Tonnes; rounded figures)

| Item | Commodity Group | 2006 | 2010 | 2015 |
|------|-----------------|------|------|------|
| 1 | Containers | --- | 100 | 150 |
| 2 | Chemicals | --- | 200 | 400 |
| 4 | Food | --- | 100 | 250 |

| | | | | |
|---|-------------------------|-----|------------|--------------|
| 5 | Forest products | --- | 100 | 200 |
| 6 | Total | | 500 | 1,000 |
| 7 | <i>Planned Capacity</i> | --- | 1,000 | 1,000 |

Source: Aktau International Sea Commercial Port



Annex 2 General Layout of Aktau Port

LOGICAL FRAMEWORK

| PROJECT DESCRIPTION | INDICATORS | SOURCE OF VERIFICATION | ASSUMPTION |
|--|---|---|---|
| <p>OVERALL OBJECTIVES</p> <ul style="list-style-type: none"> a) Strengthening of Aktau as a transport service provider for foreign trade and transit traffic. b) Integration of Kazakhstan into the international maritime transport system. c) Providing necessary transport facilities for Kazakhstan's main export, petroleum d) Enhancing the port's attractiveness as important link for relevant transport sector players. e) Strengthening of the Aktau port's strategic role in the Central Asian Region taking advantage of its unique geographic location. f) Development of various transport routes with an access to the Black Sea ports via Volga-Don Channel, as well as through the Caucasus. g) Strengthening of Aktau port's role in the international trade of Central Asia. h) Reduction of transportation cost. i) Facilitation of further investment, including private capital. j) Review of ownership and management structure of Aktau Port. | <ul style="list-style-type: none"> a) Port is not congested. Traffic handled without cost-raising delays b) More transit traffic c) Harmonised & sustained relationship with port users d) Operational, commercial, technical & financial performance indicators e) Port tariff and freight rates for main commodities & typical corridors | <ul style="list-style-type: none"> a) Performance indicators b) Port statistics c) Updated legislation and regulatory framework d) Corporate plan with updated MIS e) Rating by port users f) Port tariff and quotations from forwarding agents & sector industry | <p>Oil market is strong</p> |
| <p>PURPOSE</p> <p>To render highly professional consulting engineering services for a Master Plan and Feasibility Study for the expansion of the Port of Aktau and management consulting services for the legal, institutional, organisational and management strengthening of AISCP including a proposal for the management of the North terminal.</p> | <p>Profound, meaningful, practicable and tangible assessment of the existing situation and development proposals in correspondence with future demand and AISCP's expectations</p> | <p>All reports and documents prepared, handed over and accepted by AISCP.</p> <p>Audit reports.</p> | <p>Excellent work relations and co-operation between AISCP managers and the team of experts. The technical and management assistance is appreciated by AISCP and MoTC as major contribution to the achievement of the development objectives.</p> |

| PROJECT DESCRIPTION | INDICATORS | SOURCE OF VERIFICATION | ASSUMPTION |
|---|---|---|---|
| <p>RESULTS</p> <ol style="list-style-type: none"> Traffic, shipping and container forecasts for the year 2010, 2015 and 2020 based on the existing market research and own study. Phased master plan for the development of the port until 2020 with the assessment of the facilities existing and under construction. Feasibility study for the short to medium term development of the port (mainly North expansion), economic free zone & logistics Centre in coordination with interested IFIs. Design and tender documents for work in the North Port as identified in the Feasibility Study Proposal for the legal and institutional strengthening of AISCP to create a structure able to attract private funding. Integrated corporate plan for AISCP with focus on further management and organisational strengthening, marketing and MIS. | <ol style="list-style-type: none"> Review of market research & traffic forecast completed. Assessment of port and port mater plan completed. Feasibility studies completed. Tender documents Proposal for modern regulatory framework completed. Corporate plan accepted and applied. | <ol style="list-style-type: none"> All reports Monitoring of schedule Minutes of meetings List of contacts made List of inputs collected EU audit reports Feedback from port users/sector industry | <ol style="list-style-type: none"> Adequate involvement of beneficiary officials. Successful set-up of project organisation and monitoring committee, incl. Nomination of counterparts All input required is made available in time Free access to information/ information is not withheld as 'confidential' Support from other MoTC Departments (roads and railways) and other Ministries, eg. MoF Support from the transport sector (public and private) in Kazakhstan and the Region. |
| <p>MAIN TASKS/ACTIVITIES</p> <ol style="list-style-type: none"> Assessment of future demand | <p>Traffic forecast, delivered in time & agreed with the Client</p> | <p>Reports submitted to and accepted by AISCP. Audit reports</p> | <p>Full cooperation of the Project Partner</p> |
| <ol style="list-style-type: none"> Medium to long-term master planning | <p>Master plan, delivered in time & agreed with the Client</p> | <p>Reports submitted to and accepted by AISCP. Audit reports</p> | |
| <ol style="list-style-type: none"> Short to medium term feasibility study | <p>Pre-feasibility and Feasibility Study, delivered in time & agreed with the Client</p> | <p>Reports submitted to and accepted by AISCP. Audit reports</p> | |

| PROJECT DESCRIPTION | INDICATORS | SOURCE OF VERIFICATION | ASSUMPTION |
|---|--|--|--|
| 4. Design and Tender Documents for North Port | Tender Documents, delivered in time & agreed with the Client | Documents submitted to and accepted by AISCP. Audit reports | |
| 5. Financial analysis | Financial analysis, delivered in time & agreed with the Client | Reports submitted to and accepted by AISCP. Audit reports | |
| 6. Preparation of financial model | Financial model, delivered in time & agreed with the Client | Reports submitted to and accepted by AISCP. Audit reports | |
| 7. Legal and institutional recommendations | Report on legal & institutional recommendations, delivered in time & agreed with the Client | Reports submitted to and accepted by AISCP. Audit reports | |
| 8. Preparation of Draft Corporate Plan | Draft Corporate Plan, delivered in time & agreed with the Client | Reports submitted to and accepted by AISCP. Audit reports | |
| 9. Study Tour | <p>Needs analysis is approved by relevant authorities</p> <p>Selection of trainees is properly conducted</p> <p>Training programme is approved by relevant authorities</p> <p>Training material is available in time in both language</p> <p>Quarterly training courses are properly organised</p> | <p>AISCP</p> <p>Ministry of Transport & Communications</p> <p>Steering Committee</p> <p>Trainees</p> <p>TACIS Monitoring</p> | <p>Staff of AISCP and others concerned agencies are willing to participate in the training programme</p> <p>Training facilities are available in the AISCP</p> |

| PROJECT DESCRIPTION | INDICATORS | SOURCE OF VERIFICATION | ASSUMPTION |
|---------------------|---|---|--|
| 10. Reporting | <p>All reports and deliverables are available in both language in time.</p> <p>All reports are approved by appropriate authorities.</p> | <p>AISCP Ministry of Transport & Communications and other relevant authorities Steering Committee TACIS Monitoring</p> | <p>All reports are commented or/and approved in time by the relevant authorities</p> |

**European Union-TACIS
Aktau Port Development, Master planning and
Feasibility Study for the Port of Aktau, Kazakhstan**

Minutes of the Meeting No.1

Aktau, Kazakhstan

11th June 2007

| | | |
|----------------------|-----------------|---|
| Participants: | A.K.Glock | Aktau International Sea Commercial Port (AISCP), Deputy Director of Economy |
| | R.M. Amirzhanov | Head of Financial Department |
| | J.D.Gardner | Team Leader, Scott Wilson |
| | T. Laing | Senior Transport Economist |
| | T. Bayley | Port Management Expert |
| | V. Turdzeladze | Freight Marketing and Multi-modal Transport Expert |
| Location | | Port Administration Office. Port Of Aktau |
| Time | | 15:00-18:00 |

1. Purpose of Meeting

To introduce the project team to AISCP;

To discuss initial project tasks and proposed changes to the Terms of Reference (TOR);

To discuss the Project Opening Conference scheduled for 22nd June.

2. Points of discussion

Mr. Gardner said that the team had mobilised to Aktau and that work had commenced with the inception phase of the project.

Mr. Glock welcomed the team and said that AISCP had some proposed changes to the project Terms of Reference (TOR). Mr. Glock said that these proposals have been submitted to the EU Delegation in Almaty. Mr. Glock handed over a paper summarizing these proposals, see attached. Mr. Glock explained that the purpose of the changes was for work to concentrate on the North Port extension as a priority.

Mr. Glock said that he would like the proposed changes to be agreed and settled within the inception period.

Mr. Glock tabled a copy of an e-mail dated 8th June 2007 from Mr. Hindstrom of the EBRD explaining that he would not be able to attend the meeting on 22nd June but outlined the way in which the EBRD could assist the AICSP (see attached).

Mr. Gardner said that he thought the proposed changes could be incorporated into the inception report which once approved would become the guideline for the project. Mr. Gardner said that he would discuss the proposal with Ms. Dusupova, the project manager at the Delegation in Almaty.

To provide background information on the proposed changes to the scope of work Mr. Glock handed over an English version of the feasibility study carried out by Kazhydro in 2005 for Mobilex, the original concession holder for the North Terminal, and a copy of the February 2006 EBRD review of the Kazhydro work.(see attached cover pages).

Mr. Glock explained that physical work on the North Terminal had commenced with the mole and breakwater and the land reclamation but work had now stopped. The approximate value of work to date was US\$25million. Mr. Gardner said that the team would like to visit the site to see the extent of the work.. (following the meeting Mr. Glock and the team visited the site).

3. Actions Arising

Mr. Gardner will discuss the proposed changes to the TOR with Ms. Dusupova and report back to Mr. Glock.

Mr. Glock said that he would introduce the team to the AISCP technical staff and facilitate the procurement of existing information requested by the team (list of information requirements attached)

4. Next Meeting

It was agreed to hold a meeting on 13th June to with AISCP Heads of Department to discuss exchange of information and AISCP organisational issues.

5. Attachments

The development of the Aktau International Commercial Sea Port in the Northern direction. "KAZHYDRO" LTD.State license 01-SCL No. 000853, issued at April 7, 1998, registration list confirming the status of license owner, the order of Committee by Civil Engineering at April 16, 2002, No 83.

THE DEVELOPMENT OF THE AKTAU INTERNATIONAL COMMERCIAL SEA PORT IN THE
NORTHERN DIRECTION.

FEASIBILITY REPORT

(THE ADDED EDITION UNDER REMARKS OF EXPERTS)

EXPLANATORY NOTE

04-284-15-T01.D.1

Almaty, 2005

RSE "AICSP"

"Kazhydro" LTD

1. EXECUTIVE SUMMARY

EBRD has been requested by Aktau International Sea Commercial Port (AISCP), the operator of Kazakhstan's only significant Caspian seaport, to lend US\$65m for a major port expansion scheme which would be developed as a public-private partnership.

The total cost of the project is estimated by AISCP at US\$ 270m, of which its contribution for the breakwaters and dredging would be US\$90m. Its partner Mobilex would provide the remaining US\$180m, in exchange for which it would be given exclusive operating rights to the four oil berths and four dry cargo berths created by the scheme.

Mobilex has commissioned KazHydro, a Kazakh consulting engineer, to prepare a detailed feasibility study for the project. This report critically reviews that study. It also looks at three legal agreements defining the future relationship between AISCP and Mobilex, and at the procedures by which Mobilex was selected as prime contractor for the project.

The layout of the existing port and the proposed expansion scheme are shown in Figures 1.1 and 1.2 respectively.

1.1 CURRENT POSITION

The port of Aktau currently comprises four oil berths and four dry cargo berths, plus a ferry berth shared by oil tankers. A fifth oil berth is under construction by Mobilex.

The port is functioning efficiently, and in 2005 handled 8.9m tons of oil and 1.1m tons of dry cargo, plus 0.35m tons of ferry traffic. Cargo throughput is around 80% of capacity for oil, and 60% of capacity for dry cargo.

The port was profitable in 2005, recording a net pre-tax profit of US\$ 15.3m on a turnover of US\$ 32.6m. However it has a relatively weak capital base, with long term debt (US\$ 41.3m) accounting for over 60% of long-term assets (US\$ 66.5m).

AISCP has already received one EBRD loan for the rehabilitation of its existing dry cargo berths (US\$ 54m) of which US\$ 18.645m is still outstanding.

1.2 TRAFFIC FORECASTS

The rationale for undertaking the port expansion scheme is to accommodate the surge in Kazakh seaborne oil exports resulting from the opening of the offshore Kashagan oil field in 2008. This is expected to raise oil traffic through Aktau from 9m tons in 2005 to around 17m tons in 2009.

There is general agreement that oil traffic through the port should reach 17m tons by the end of the decade, as there are firm commitments to produce and export the oil, and a shortage of pipeline capacity. However there are different opinions about whether this level of oil traffic can be sustained.

SUGGESTIONS for correction of TACIS Terms of Reference.

In view of changed situation relating terms and methods of realization of the project "Development of Aktau Port in northward direction" and in purpose of achievement of the best results of technical support in frames of EU TACIS Programme, the Consultants is proposed to concentrate their efforts for assistance to port in construction of northern terminal.

For this aim it is necessary to make some corrections in text of ToR:

1. cl.I .4. Current situation. And also in other clauses of ToR to exclude references on Mobilex as Project financing company acting as concessionary, since the financing of construction of surface port infrastructure of northern terminal is planning to realize on the account of republican budget.
2. cl. 2.3. Results achieved by Consultants. To be amplified:
 - Feasibility Studies of short-term and middle - term Port development (northern and southern terminals) on agreement with interested International Financing organizations.
 - **Technical project documentation for construction of basic port facilitif ? of northern terminal.**
3. **cl. 4.3.1. Task group.** Additionally in Task Group included Kazakhstan Development Bank (KDB) and EBRD.
4. cl. 4.2.3. Task for this clause is divided into two phases:
 - a) **1st phase Feasibility Studies and technical documentation for northern terminal •"**
 - b) **2 phase Feasibility Studies and technical documentation for southern terminal -**

The Consultants should concentrates their efforts on realization of the 1st phase in-nrst second months (July -December of 2007), the 2 phase can be implemented in last six months. During execution of this part of ToR the Consultants should give constant support to the Port in developing of further project documentation and tender proceedings, realizing on the basis of documentation developed by the Consultants (Function corresponding to General Developer). Port -Beneficiary for given project is counting on that documents of this part will be provided in form allowing to execute state examination of project decision and to get an approval for construction. On the basis of the above stated, the Consultants will be proposed to revise the Project Schedule, budget and list of experts (except 3 principal) provided by section 5.



Or: "Hindstrom, Ulf" <hindstru@ebrd.com>
KoMy. "DUSUPOVA Gulnara (RELEX)" <Gulnara.DUSUPOVA@ec.europa.eu>;
<glok_a@aktauport.kz>
OrnpaBJieHo: 8 I/UOHH 2007 r. 12:01
Teiwa: Aktau Port - Feasibility
study

Dear Guinara and Mr Glock,

Unfortunately I will not be able to be in Aktau on the 15th, nor will Chris Ousey from our transport team in London. What I suggest is that you go ahead as planned to get the feasibility study up and running. I will try to meet the consultants sometime later, which actually may be good, as at that point they will have much more information and a discussion with the EBRD will be more productive. A good time to meet in Aktau would be when they present the inception report.

The messages I wanted to give the consultants at this point are the following:

- To count on the EBRD financing for the project under a long-term loan to AICSP. We will discuss amounts and indicative terms and conditions at a later stage. The important thing at this point of time is that the Consultant need to be able to present a bankable business plan for the expansion. We expect that the Development Bank of Kazakhstan will cofinance the project.
- To try for prepare the Feasibility study in phases so that the first phase would concentrate on identifying a priority investment programme, and the sooner we will have this ready, the faster the EBRD can prepare its loan. Try to push them to an aggressive time-schedule.
- Explore the scope for involving private operators to run commercial port activities, and to have them finance their parts. This will reduce the overall investments that AICSP will have to finance.

I wish you good luck with the kick-off meeting, and please keep me informed about the results and minutes.

Best regards,

Ulf Hindstrom

**European Union-TACIS
Aktau Port Development, Master planning and
Feasibility Study for the Port of Aktau, Kazakhstan**

Minutes of Meeting No.2

Aktau, Kazakhstan

13th June 2007

| | | |
|----------------------|-----------------|---|
| Participants: | A.K.Glock | Aktau International Sea Commercial Port (AISCP), Deputy Director of Economy |
| | V. Konstantinov | AISCP Deputy Director, Chief Engineer. |
| | A. Zenkovsky | AISCP Head of Department, Port Infrastructure and Capital Construction |
| | B. Moldasheva | AISCP Head of Investment Planning |
| | J.D.Gardner | Team Leader, Scott Wilson (SW) |
| | T. Laing | Senior Transport Economist (SW) |
| | A. Bayley | Port Management Expert (SW) |
| | V. Turdzeladze | Freight Marketing and Multi-modal Transport Expert (SW) |
| Location | | Port Administration Office. Port Of Aktau |
| Time | | 10:00-11:30 |

1. Purpose of Meeting

Project Kick-off meeting-to introduce the project team to AISCSP Management Team and Heads of Departments; and

To discuss information requirements for master planning and feasibility studies;

2. Points of discussion

Mr. Gardner handed over draft minutes of Meeting No. 1 for Mr. Glock's comments.

Mr. Glock handed over the following documents:

- "Business Plan for Project Expansion of AISCSP in North Direction- Construction of Mole and Breakwater-Phase 2 (with changes and amendments on 12/06/07).
- "Conclusion of Study by Ministry of Economics of Kazakhstan for future concessions for North and South Port Expansion"
- "Decree of the Government of Kazakhstan no. 431 dated 28th March 2007, listing Projects which are available for Concession and those which are not available for concession" (this includes North and South Expansion in Aktau, items 14 and 15 on page 3 refer).

Mr. Gardner asked if the information requested in the lists previously handed to AISCSP by Mr. Turdzeladze, see copies attached, was contained in the documents handed over by Mr. Glock. Mr. Glock said that most of the information was contained in these documents but, if required, further information can be obtained from the management team.

Mr. Glock informed that because of the new government decision, see above, there was now no need to consider a concession agreement for the North Port. (The existing concession with Mobilex has been terminated). In the case of the South Port if it is found that there is a feasible case for expansion then the possibility of a concession could be examined.

Mr. Bayley asked if there were any residual liabilities from the Mobilex concession. Mr. Glock indicated that AISCSP has lodged a claim against Mobilex for non completion of the breakwater and Mobilex had lodged a counter claim against the Kazakhstan Government for terminating the concession agreement between Mobilex and the Government.

Mr. Gardner said that he had discussed the proposed changes to the TOR with Gulnara Dusupova of the EU Delegation in Almaty and that during the conversation she had advised that the EU would like to delay the project commencement conference (originally scheduled for 15th June) until late July. Mr. Glock said that AISCSP were also in favour of re-scheduling.

Mr. Konstantinov emphasized that the primary task of the Scott Wilson team should be the feasibility study, design and tender documentation for the North Port.

3. Actions Arising

Team to review the information provided by Mr. Glock.

4. Next Meetings

It was agreed that follow-up meetings would be held as follows:

13th June 2.00pm and 3.30pm (marketing and operations); and

14th June 10.00am Free Zone and engineering drawings of the port.

**European Union-TACIS
Aktau Port Development, Master planning and
Feasibility Study for the Port of Aktau, Kazakhstan**

Minutes of Meeting No.3

Astana, Kazakhstan

12th July 2007

| | | |
|----------------------|---------------------|--|
| Participants: | Ulf Hindstrom | Senior Banker, Infrastructure, European Bank for Reconstruction and Development (EBRD) |
| | J.D.Gardner | Team Leader, Scott Wilson (SW) |
| | Farida Nagiyeva | Project Assistant, Translator, (SW) |
| Location | EBRD office, Astana | |
| Time | 9:00-10:30 | |

1. Purpose of Meeting

- The purpose of the meeting was to make contact between SW and the EBRD and to discuss the project progress to date and discuss EBRD expectations from the project.

2. Points of discussion

- SW explained that the study team had now mobilised and started work;
- The current situation at Aktau compared to the situation envisaged in the study ToR was discussed, primarily that the study work now needed to concentrate on the North Port rather than the South Port; SW said that they understood that an announcement would be made by the Ministry of Transport on 20th July concerning the tender for the remaining breakwater works; the tender period and the target date for award of the contract are not known by SW;
- SW said that they are currently preparing traffic forecasts, in particular efforts are being made to confirm the longer term oil forecasts beyond 2010/11 when it is expected that Kuryk will come on-stream; SW said that they were aware that a major study had just been completed by the Ministry of Transport covering future oil transport in the Caspian Sea including projected traffic for Aktau port but at present this report has not yet been released to AISCPC; EBRD said that they held a copy of the 2006 national transport strategy but they are not aware of the Caspian Sea report; it was agreed that this is an important report for the current studies and that efforts should be made to obtain a copy;
- SW said that they had some technical concerns on the proposed North Port breakwater layout which might mean that the wave action at the oil berths was higher than expected and the performance of the berths might not meet current standards with consequential loss of trade if the oil companies decide to seek alternative shipping routes; EBRD asked if an EIA had been carried out for the North Port which met EBRD standards, SW said that they would look into this;
- Possible options for encouraging oil companies to use the North Port were discussed; these included good technical performance of the berths, improved/expanded landside delivery of oil, streamlined port and customs procedures, and long term leasing of the berths to the oil companies; SW said that these options would be mentioned in their forthcoming reports and probably discussed at the forthcoming commencement conference; SW to check if long leasing of berths would be allowed under Kazakhstan legislation;

- EBRD said that the concept of long leasing of the berths was attractive because they, like SW, would like to remove some of the uncertainties about the long term volumes to be handled
- SW said that design and build might be an attractive option to speed up implementation of the initial oil berths; EBRD said that design/build was being considered for one of their road projects but was not sure if Kazakhstan legislation allows design/build, SW to check;
- EBRD said that they have written to AISCP concerning the separation of state and port functions and the corresponding impact on port revenues and a copy of the letter will be sent to SW;
- EBRD said that they would not be able to attend the commencement conference at Aktau on 23rd July due to other prior commitments

3. Actions Arising

- SW to keep EBRD informed on the developments on the North Port;
- SW will examine further the long lease concept;
- SW will examine further the design/build concept.

4. Next Meetings

- EBRD to set up a meeting with the Development Bank of Kazakhstan to further discuss the current situation on the North Port;
- SW to inform EBRD on dates for steering group meetings following the commencement conference.

**European Union-TACIS
Aktau Port Development, Master planning and
Feasibility Study for the Port of Aktau, Kazakhstan**

Minutes of Meeting No.4

Astana, Kazakhstan

12th July 2007

| | | |
|----------------------|-------------------|---|
| Participants: | Kairiden Nurkenov | Deputy Director, Ministry of Transport and Communications of the Republic of Kazakhstan, Department of Water Transport (MT) |
| | J.D.Gardner | Team Leader, Scott Wilson (SW) |
| | Farida Nagiyeva | Project Assistant, Translator, (SW) |

| | |
|-----------------|--|
| Location | Ministry of Transport, Kabanbay batyra avenue,, Astana |
|-----------------|--|

| | |
|-------------|-------------|
| Time | 11.00-12:30 |
|-------------|-------------|

1. Purpose of Meeting

- The purpose of the meeting was to introduce SW to MT and to discuss the progress of the project to date;
- To confirm the proposed project commencement conference for 23rd July and future Steering Group meetings.

2. Points of discussion

- SW said that the project team had mobilised and work is in hand on the inception phase and the conceptual master plan which are due to be submitted on 6th August;
- SW said that one of their most import areas of work is the forecasting of oil volumes to be handled at the port after 2010/11; it is clear that at least 2 further oil berths will be needed by 2010/11 to handle the projected volumes but that there are several opinions on the volumes to be handled after that time; MT said that they had just completed a major strategy study on Marine Transport in the Caspian which will be released to AISCP shortly; the study predicts that the additional volumes to be handled by Aktau by 2012 is 10 million tonnes/year and by Kuryk is 20 million tonnes/year; SW said that this study would be most useful and will request a copy from AISCP;
- MT said that the Kuryk terminal is dedicated to supplying the Baku/Tblisi/Ceyhan pipeline so there would be a continuing need for Aktau for other destinations;
- The timetable for construction of the breakwater and berths was briefly discussed; MT said that they wanted the breakwater completed by 2009; SW said that it may be necessary to construct the initial oil berths in parallel with the breakwater construction to avoid delays in providing the required oil capacities;
- MT said that the tender for the breakwater would be announced on 25th July.

3. Actions Arising

- SW to request a copy of the Ministry of Transport study on Marine Transport in the Caspian Sea from Mr. Glock.

4. Next Meetings

- Project commencement conference in Aktau on 23rd July
- Project Steering Group meetings at 3 month intervals thereafter.

**European Union-TACIS
Aktau Port Development, Master planning and
Feasibility Study for the Port of Aktau, Kazakhstan**

Minutes of Meeting No.5

Astana, Kazakhstan

12th July 2007

| | | |
|----------------------|-------------------|--|
| Participants: | Ulf Hindstrom | Senior Banker, Infrastructure, European Bank for Reconstruction and Development (EBRD) |
| | Nurlan Baibazarov | Managing Director, Development Bank of Kazakhstan (DBK) |
| | J.D.Gardner | Team Leader, Scott Wilson (SW) |
| | Farida Nagiyeva | Project Assistant, Translator, (SW) |

Location EBRD office, Astana

Time 14:00-15,00

1. Purpose of Meeting

- To discuss the role of the EBRD and DBK in financing Aktau port projects;
- For SW to provide a brief update for DBK on the situation at Aktau and the progress of the master planning study

2. Points of discussion

- DBK said that their board will decide on 18th July on the loan to AISCP for the completion of the breakwater for the North Port;
- DBK said that the decision will be largely based on the figures in the feasibility report produced by Kazhydro; DBK have also had discussions with the Ministry of Transport and KazMunaiGas concerning oil volumes planned for Aktau;
- DBK mentioned that much of their future expectation on traffic volumes centres round the development of Kashagan oil field which is due to come on stream in 2009/10;
- The concept of AISCP acting as a landlord to the proposed new oil berths was discussed and it was agreed that this is attractive as a means of helping provide an environment to encourage oil companies to make long term commitments to the proposed new oil berths;
- It was agreed that the strategy document recently produced by the Ministry of Transport on Marine Transport in the Caspian is an important document which all parties will try to obtain;
- DBK is in the process of developing it's own traffic forecasting document and this will be made available when completed;
- DBK suggested that the Ministry of Energy should be kept informed about developments at Aktau.

3. Actions Arising

- SW to further develop the landlord concept, and examine the advantages and disadvantages of this concept;
- All parties to try to obtain the Ministry of Transport Document on Marine Transport in the Caspian.

4. Next Meetings

- Project commencement meeting in Aktau on 23rd July
- A similar meeting to the current meeting to be held in the near future to review progress
- Aktau Steering group meetings at 3 monthly intervals after 23rd July

**European Union-TACIS
Aktau Port Development, Master planning and
Feasibility Study for the Port of Aktau, Kazakhstan**

Minutes of Meeting No.6

Astana, Kazakhstan

12th July 2007

| | | |
|----------------------|---------------------------------------|---|
| Participants: | Takechi, Naoki Toshio, Kimura | JICA, project Formulation Advisor, Kazakhstan Director, Development Planning Department, Katahira Engineers International |
| | Nouo, Osawa J.D.Gardner | Director, Tonichi Engineering Consultants Ltd. Team Leader, Scott Wilson (SW) |
| | Farida Nagiyeva | Project Assistant, Translator, (SW) |
| Location | 2/6, Business Center, Zhartas, Astana | |
| Time | 1530-16.30 | |

1. Purpose of Meeting

- To explain the SW project in Aktau and to discuss the JICA project and it's relevance to Aktau port

2. Points of discussion

- SW explained the nature of their study and the potential changes to Aktau port to handle future traffic;
- JICA said that their study is a transportation study and is being carried out for KTZ to examine the potential for container transport from China to the west;
- JICA said that the volumes are small but they are preparing schemes for 3 logistics centres near Aktau port, in total these will cover an area of 900Ha.
- JICA said that the draft report is due to be submitted in September and the final report in October 2007;
- JICA said that copies of the drawings showing the logistic centre locations may be available at the Mangistau Oblast offices;
- JICA said that they are also looking at the potential for KTC to provide rail links to the logistic centres.

3. Actions Arising

- SW to visit Mangistau Oblast to discuss the proposed logistic centres

4. Next Meetings

- No meeting fixed but a follow-up after JICA has issued their draft report in September would be useful

**European Union-TACIS
Aktau Port Development, Master planning and
Feasibility Study for the Port of Aktau, Kazakhstan**

Minutes of Meeting No.7

Almaty, Kazakhstan

13th July 2007

| | | |
|----------------------|----------------------------|---|
| Participants: | Iossif Vil'koviskiy | Chief engineer, Kazhydro, Almaty.(KH) |
| | Yuriy Rummyantsev | Chief project engineer, Kazhydro, Almaty.(KH) |
| | J.D.Gardner | Team Leader, Scott Wilson (SW) |
| | Farida Nagiyeva | Project Assistant, Translator, (SW) |
| Location | Kazhydro office in Almaty. | |
| Time | 14.00-1530 | |

1. Purpose of Meeting

- To explain the SW project in Aktau and to discuss the KH's design of the North Port

2. Points of discussion

- SW explained the nature of their study and the role they have in producing tender documents for the berths in the North Port;
- SW said that to produce the study and the design for the berths they would like to discuss the basic harbour design criteria to ensure that the berths will provide the best possible service for future port users, this was not in any way a critical examination of Kashydro's design but only an exchange of engineering ideas;
- KH said that they understood this and were pleased to help;
- KH said that they had finished the tender drawings for the second phase of the breakwater and mole and did not expect any future role in the design of the port except possibly with assisting with tenderer's questions;
- KH said that they are currently revising their feasibility study and this would be available at the end of September 2007;
- SW said that they would expect the new berths to be available for up to 90-100% of the year so that there were no interruptions in port traffic, typical criteria they would expect would be that the waves at the berths should be less than 0.8m. high;
- KH said that they were aware that the existing port experienced downtime on 50-60 days of the year and expected similar conditions in the new harbour;
- SW said that in an investment of this size, approximately US\$300m, it would be standard practice to carry out modelling, mathematical and possibly physical, to ensure that the wave conditions in the harbour were acceptable; KH said that modelling had not been carried out and that they were to some extent constrained by their client, Mobilex.
- SW asked if any modifications had been made to the design of the breakwater and the seaward end of the mole because the current design showed large concrete blocks used for the central core of these structures and this was likely to lead to waves passing straight through the structure; RH said that the cross section details of these structures had been modified and that the drawings held by SW were not the current ones;

- SW asked how the design of the cross sections was carried out; KH said that standard design procedures were used but model tests were not used.

3. Actions Arising

- SW to ask AISCP for the latest design drawings and to discuss the possible need for harbour modelling before the tender was finalised.

4. Next Meetings

- No meeting fixed but SW thanked KH for their help and suggested that another meeting might be useful as the design process continues; KH said that they would be pleased to meet again.

**European Union-TACIS
Aktau Port Development, Master planning and
Feasibility Study for the Port of Aktau, Kazakhstan**

Minutes of Meeting No.8- Commencement Conference

Aktau, Kazakhstan

24th July 2007

LIST OF PARTICIPANTS

| | Organisation | Name | Position |
|----|--|---------------------|---|
| 1 | Port of Aktau | Talgat Abylgazin | Director |
| 2 | Port of Aktau | Alexander Glock | Deputy Director |
| 3 | Port of Aktau | Dauren Kutpanabayev | Deputy Director for Corporate Issues |
| 4 | Akimat of Mangistau Oblast | Mikhail Bortnik | Deputy Akim |
| 5 | Ministry of Transport and Communications | Kasim Tlepov | Chief of Division, Sea Transport Department |
| 6 | Ministry of Economy & Budget Planning | Viktor Suprun | Deputy Minister |
| 7 | Development Bank of Kazakhstan | Nurlan Baybazarov | Managing Director |
| 8 | EC Delegation | Gulnara Dusupova | EC Project Manager |
| 9 | Permanent Secretariat of IGC TRACECA | Rustan Jenalinov | Secretary General |
| 10 | Scott Wilson | Martin Edge | Director |
| 11 | Scott Wilson | John Gardner | Team Leader |
| 12 | Scott Wilson | Toni Beyley | Port Management Specialist |
| 13 | Scott Wilson | Vadim Turdzeldze | Multimodal & Marketing Specialist |
| 14 | Scott Wilson | Farida Nagiyeva | Project Coordinator |
| 15 | Proektirovshik | Alexander Volkhin | Director |
| 16 | Mangistau Branch of Kazakhstan Railway «Kazakhstanemirzholy» | Nazhimeden Gubashov | Director |
| 17 | Department for Commerce and Industry of Mangistau Oblast | Adilbek Kusherov | Chief of Department |
| 18 | TNT Company | Alexey Baranov | Director |
| 19 | TRANKO | Nurzhan Saginayev | Director |

| | | | |
|----|------------------------|---------------------------|--|
| 20 | Oil Marine Services | Бельцев Эдуард Евгеньевич | Deputy Director |
| 21 | Caspian Cargo Services | Yuri Kuznetsov | Director |
| 22 | Best | Khafiz Orujeniya | Director |
| 23 | KazTransOil | Kairzhan Otarov | Deputy Chief for Transportation |
| 24 | KazkoTranssevice | Vasiliy Gedz | Chairman of the Board |
| 25 | Buzachi Operating Ltd. | Anatoly Lobanov | Deputy General Manager for Commercial Issues |
| 26 | Mangistaumunaygas | Serik Mirzakhanov | Chief of Commercial Section |
| 27 | TRACECA | Paul Pezant | Team Leader |

Location AISCP office in Aktau

Time 15.00-18.00

Agenda

1. Opening Speeches
 - Port Director
 - Akimat of Mangistau Oblast
 - Ministry of Transport and Communications
 - Head of EU Delegation
 - Permanent Secretariat of IGC TRACECA
2. Introductions
3. Aim of Conference
4. Project Overview
5. Work Plan for Project
 - Schedule
 - Approach
 - Team
 - Lines of Communication
6. Inception Phase
 - Existing Issues
 - Traffic Forecasts
 - Development Plans
7. Steering Committee
8. Questions
9. Future Meetings
10. Conclusions

1. Purpose of Meeting

The purpose of the meeting was to provide an opening conference for the Project and to introduce the Project sponsors, stakeholders and consultant's team and to discuss some of the consultant's initial findings.

2. Opening Speeches

Mr Glock, Deputy Port Director of Economy read an opening speech by the port director, Mr. Talgat Abylgazin, and welcomed the delegates;

Mr. Mikhail Bortnik, Deputy Akim of Mangestau Oblast, gave an opening speech and stressed the importance of the port to the development of Aktau;

Mr. Kasim Tievov, Head of Sea Transport, Ministry of Transport, gave an opening speech and outlined the long term plans for the Caspian ports;

Ms. Gulnara Dusupova, EU Project Manager, read a welcoming speech by the Head of the European Commission Delegation to Kazakhstan;

Mr. Rustan Jenalinov, Secretary General of IGC TRACECA, gave an opening speech and stressed the importance of Aktau to TRACECA strategy

3. Introductions

Mr. Glock introduced the consultants to the meeting and explained that the consultants would give a small Power Point presentation to explain their background and the schedule for the project.

4. The Project Consultants

Mr. Edge gave an introduction to Scott Wilson and described some of their projects world wide. He said that the company had a total staff of over 5,500 and these resources would be channelled as appropriate to the Aktau Port project. He said that he was the Director responsible for the project and would provide the link in the UK to ensure that the Scott Wilson head office provided back-stopping and met the requirements of the project team based in Aktau.

Mr. Volkhin introduced Proektirovshik, the local consultants working in association with Scott Wilson, and explained some of the range of projects that they had carried out in the Aktau region.

5. Project Overview

Mr Gardner said that the aim of the consultants is to produce a master plan that is a benefit to the port, port users and Aktau, a master plan which all parties recognise as a workable plan. Mr. Gardner explained the tasks that the team would be carrying out, the team that would be used, and the schedule of deliverables. Mr Gardner said that the team recognised the need to produce tender documents for the North Port at an early stage and said that preliminary design work had now commenced.

6. Inception Phase- Initial Observations

Mr Gardner said that the team has now been working for six weeks and some key factors were now clear which would require careful consideration in the tasks ahead. Two particular examples given by Mr Gardner were the future traffic volumes and the supply capacity of the rail, pipeline and tank networks bringing oil to the port. The current projections on future oil volumes demonstrated the sensitivity of the volumes to the future actions of only a few oil companies and the impact of the new oil port at Kuryk. Mr Gardner said that this emphasised the importance of providing facilities which would encourage oil companies to bring new business to Aktau.

The capacity of the existing rail network was discussed and there were several views expressed by delegates on the volume that could be carried. It was, however, agreed that it was essential to examine the whole transport chain from the source of the oil, the transport route to Aktau and the destination after Aktau.

Mr Gardner said that the demand for future general and bulk cargo berths would depend on many factors, many of which were outside the control of Aktau. He said experience elsewhere has shown that an efficient port can act as a catalyst to development in the surrounding area, as has happened in some Middle East cities, and the development of the port will assist with the development of Aktau and surrounding industry and economic free zones.

Mr Bayley discussed typical port operating procedures and the impact that some changes can have on port capacity. He said that these factors would be examined in conjunction with AISCP and the port users to help find the optimum way to develop the port procedures to meet future demands.

7. Comments and Questions

Several points were made by the delegates to the consultants. In particular:

- the need for the consultants to hold meetings with all port users to ensure that their views were taken into account, and
- the need for the consultants to take account of existing traffic forecasts which have been taken as the basis for existing development plans in the North Port.

Mr Gardner welcomed these views and said that a schedule of meetings was being arranged in conjunction with AISCP to make sure that these points are followed up.

8. The Steering Committee

The role of the steering committee and the proposed composition of the committee were discussed. Mr Gardner said that the Steering Committee had an important role to ensure that the study team were aware of all factors which have an influence on the success of the study. Mr Gardner said that prior to the proposed quarterly meetings the consultants would produce a briefing paper to explain progress to date, matters examined, any problems and their possible solutions for discussion by the committee. After discussion, during and immediately following the meeting, the proposed composition of the steering committee was agreed as follows:

| Organization | Number of People |
|--|------------------|
| AISCP | 2 |
| Akimat of Mangestau Oblast | 1 |
| Ministry of Transport and Communications | 2 |
| Ministry of Economy and Budget Planning | 1 |
| Ministry of Energy or State Oil and Gas | 1 |
| European Union | 1 |
| EBRD | 1 |
| Development Bank of Kazakhstan | 1 |
| Scott Wilson & Proektirovshik | 3 |

9. Future Meetings

The tentative dates for the steering committee meetings are:

- 10th October 2007;
- 9th January 2008;
- 9th April 2008;
- 9th July 2008;
- 8th October 2008.

10. Conclusions

Mr Edge thanked everyone for attending the conference and for taking such a valuable part in the discussions. He said he thought that this had helped to make the meeting a success. He concluded by saying that all delegates were invited to dinner after the visit to the port.

11. Visit to the Port

Mr Glock conducted a brief visit for delegates to the dry cargo area of the port and explained some of the current cargoes that were being shipped through the port.



The project is funded by
the European Union



The project is implemented by
Scott Wilson & Proektirovshik

Ambitious ■ Collaborative ■ Diverse ■ Professional ■ Responsive

AKTAU PORT DEVELOPMENT

Masterplanning and Feasibility Study for the Port of Aktau, Kazakhstan

Ref.: EuropeAid123967/C/SER/KZ

scottwilson.com



The project is funded by
the European Union



The project is implemented by
Scott Wilson & Proektirovshik

Ambitious ■ Collaborative ■ Diverse ■ Professional ■ Responsive

COMMENCEMENT CONFERENCE 24 JULY 2007

Agenda

3.00pm

1. Opening Speeches
2. Introductions
3. Aim of Conference
4. Consultant's Team
5. Project Overview
6. Work Plan for Project
7. Inception Phase- Initial Observations

4.30pm

COFFEE BREAK

5.00pm

1. Comments & Questions
2. Steering Committee
3. Future Meetings
4. Conclusion

6.00pm - 6.45pm

SITE VISIT

7.30pm

CONFERENCE DINNER

scottwilson.com



The project is funded by the European Union



The project is implemented by Scott Wilson & Proektirovshik

INTRODUCTION OF PARTICIPANTS

1. AISCP
2. Ministry of Transport and Communications
3. Ministry of Economy and Budget Planning
4. EC Delegation
5. Development Bank of Kazakhstan
6. EBRD
7. Akimat of Mangistau oblast
8. TRACECA
9. Railway Authorities
10. Shipping and Forwarding Companies
11. Proektirovshik
12. Scott Wilson

scottwilson.com



The project is funded by the European Union



The project is implemented by Scott Wilson & Proektirovshik

AIM OF CONFERENCE

1. Introduce the Study Team
2. Explain the project objectives, deliverables and schedule
3. Discuss initial observations
4. Obtain feedback and comments from delegates
5. Set up the Steering Committee

scottwilson.com

Ambitious ■ Collaborative ■ Diverse ■ Professional ■ Responsive

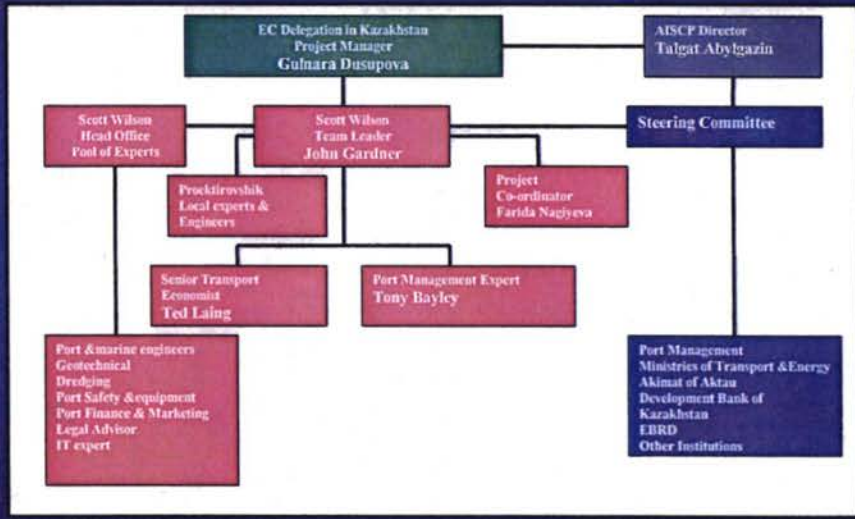


The project is funded by the European Union

PROJECT ORGANISATION



The project is implemented by Scott Wilson & Proektirovshik



Ambitious ■ Collaborative ■ Diverse ■ Professional ■ Responsive



The project is funded by the European Union



The project is implemented by Scott Wilson & Proektirovshik

SCOTT WILSON & PROEKTIROVSHIK

SCOTT WILSON

1. Description of Company
2. Experience in this type of project
3. Experience in Kazakhstan
4. Experience with TACIS, EBRD and major funding agencies
5. Experience with technology transfer
6. Plans to involve local labour resources

PROEKTIROVSHIK

1. Description of Company
2. Previous project experience
3. Common Benefits for Scott Wilson & Proektirovshik

scottwilson.com

Ambitious ■ Collaborative ■ Diverse ■ Professional ■ Responsive



The project is funded by the European Union

SCOTT WILSON



The project is implemented by Scott Wilson & Proektirovshik



Port projects globally:

- Port engineering & design
- Master Planning
- Investment appraisal
- Traffic surveying & forecasting
- 50 countries
- 39 offices in UK
- 78 offices globally

scottwilson.com

Ambitious ■ Collaborative ■ Diverse ■ Professional ■ Responsive

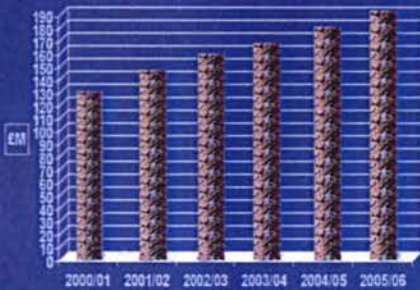


The project is funded by the European Union

SCOTT WILSON



The project is implemented by Scott Wilson & Proektirovshik

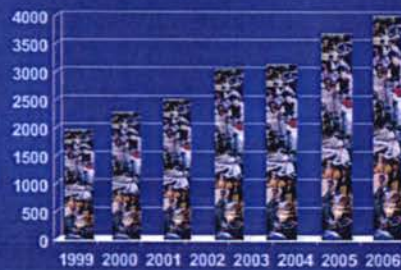


Growth in turnover

- Last FY: USD 522,000,000

Growth in staff numbers

- Currently over 5,500



scottwilson.com

Ambitious ■ Collaborative ■ Diverse ■ Professional ■ Responsive



The project is funded by the European Union

SCOTT WILSON



The project is implemented by Scott Wilson & Proektirovshik



Projects:

- Bahrain Islands
- Disney, Hong Kong
- Container terminal, HK
- Master planning, Sri Lanka

scottwilson.com

Ambitious ■ Collaborative ■ Diverse ■ Professional ■ Responsive



The project is funded by the European Union

SCOTT WILSON



The project is implemented by Scott Wilson & Proektirovshik

Projects:

- Oil terminal, Angola
- Oil terminal, HK
- GCHQ PFI, UK
- Oil terminal, Mexico



scottwilson.com

Ambitious ■ Collaborative ■ Diverse ■ Professional ■ Responsive



The project is funded by the European Union.

SCOTT WILSON



Scott
Wilson

The project is implemented by Scott Wilson & Proektirovshik

RECENT EXPERIENCE IN KAZAKHSTAN Part 1

- 2005-6 Development of Transit Potential, Ministry of Transport
- 2005 Varvarinskoye Open Pit Review
- 2004 Environmental review of 2 gold mines, Danagaz BSC
- 2003-7 Sea Programme, Kazak Committee of Water Resources, World Bank
- 2003-5 OIL, LPG, Sulphur Export Study

scottwilson.com

Ambitious ■ Collaborative ■ Diverse ■ Professional ■ Responsive



The project is funded by the European Union.

SCOTT WILSON



Scott
Wilson

The project is implemented by Scott Wilson & Proektirovshik

RECENT EXPERIENCE IN KAZAKHSTAN Part 2

- 2003-4 Rail Export Study
- 2001-5 Western Kazakhstan Road Network Rehabilitation
- 2000-4 Akchatau-Karaganda Road
- 2000-02 Environmental Management, Ministry of Natural Resources & Environmental Protection
- 2000 Rail Equipment Study, EBRD
- 1997 Aktau Port Institutional Strengthening

scottwilson.com

Ambitious ■ Collaborative ■ Diverse ■ Professional ■ Responsive



The project is funded by the European Union



The project is implemented by Scott Wilson & Proektirovshik

PROEKTIROVSHIK

Established in 1998

Major areas of engineering survey:

1. Engineering & Geotechnical Surveys,
2. Industrial & Civil Construction;
3. Construction of Rails, Roads, Crane Runways, Pipelines, Power Supply & Communication Networks;
4. Environment



Civil Construction, Licence No. MHC 0000199

Environmental, Licence No. 00954P 0041393

scottwilson.com

Ambitious ■ Collaborative ■ Diverse ■ Professional ■ Responsive



The project is funded by the European Union



The project is implemented by Scott Wilson & Proektirovshik

PROEKTIROVSHIK

RECENT EXPERIENCE IN KAZAKHSTAN

Part 1

- | | |
|-----------|---|
| 2004-2006 | Arrangement of the oil terminal: external infrastructure, oil pipelines, rails, pumping station, oil tank surveys. Client - Mobilx Energy Limited |
| 2002-2007 | Pre-Feasibility Study for Aktau Port Extension to North & South, Port Bautino, Port Kuryk. Construction of new buildings & facilities in Aktau Port: dry cargo terminals, storage facilities, new office, covered sport area, Bautino berth, etc.; engineering surveys for grain terminal Ak Biday. Client – Aktau Port & Kazmortransflot. |

scottwilson.com



The project is funded by the European Union



The project is implemented by Scott Wilson & Proektirovshik

PROEKTIROVSHIK

RECENT EXPERIENCE IN KAZAKHSTAN Part 2

- | | |
|-----------|--|
| 2003 | Oil loading rack, Client – Uzenmunaygas |
| 2004-2006 | Extension of Railway Station Aktau Port and Khimicheskaya Client – Kaskor-Transservice |
| 2004-2007 | Civil Construction, environmental projects related to Koshkar-Ata tailing dump Clients: Aktau & Zhanaozen |

scottwilson.com



The project is funded by the European Union



The project is implemented by Scott Wilson & Proektirovshik

PROJECT OBJECTIVES, DELIVERABLES & SCHEDULE

1. Project Objectives
2. Project Stakeholders
3. Project Schedule

scottwilson.com

Ambitious ■ Collaborative ■ Diverse ■ Professional ■ Responsive



The project is funded by the European Union



The project is implemented by Scott Wilson & Proektirovshik

WORK PLAN FOR PROJECT

Tasks

1. Assessment of Future Demand
2. North Port Short to Medium Feasibility Study
3. North Port Design & Tender Documents
4. Medium to Long-Term Master Planning
5. Financial Analysis
6. Preparation of Financial Model
7. Legal and Institutional Recommendations
8. Preparation of Draft Corporate Plan
9. Study Tour
10. Reporting

scottwilson.com

Ambitious ■ Collaborative ■ Diverse ■ Professional ■ Responsive

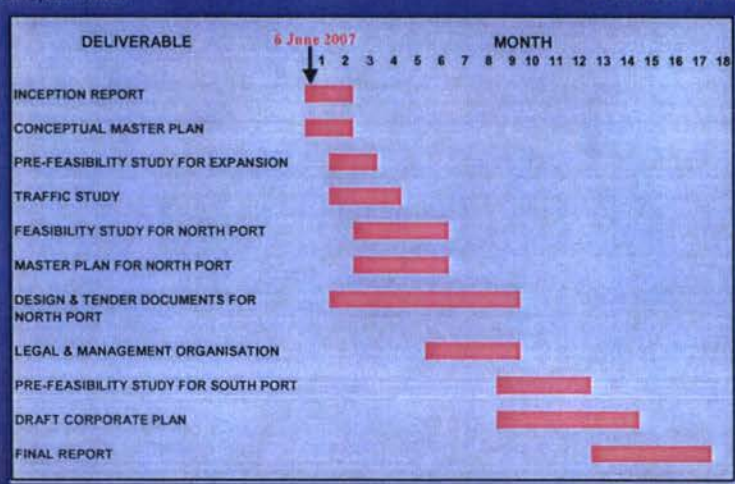


The project is funded by the European Union



The project is implemented by Scott Wilson & Proektirovshik

SCHEDULE



scottwilson.com



The project is funded by the European Union



The project is implemented by Scott Wilson & Proektirovshik

INCEPTION PHASE - INITIAL OBSERVATIONS

Existing Situation

1. Information available
2. North Port Breakwater
3. Schedule for New Berths
4. Kuryk- impact on North Port
5. Capacity of Rail and Pipeline Networks
6. Capacity of Tank Farms

scottwilson.com

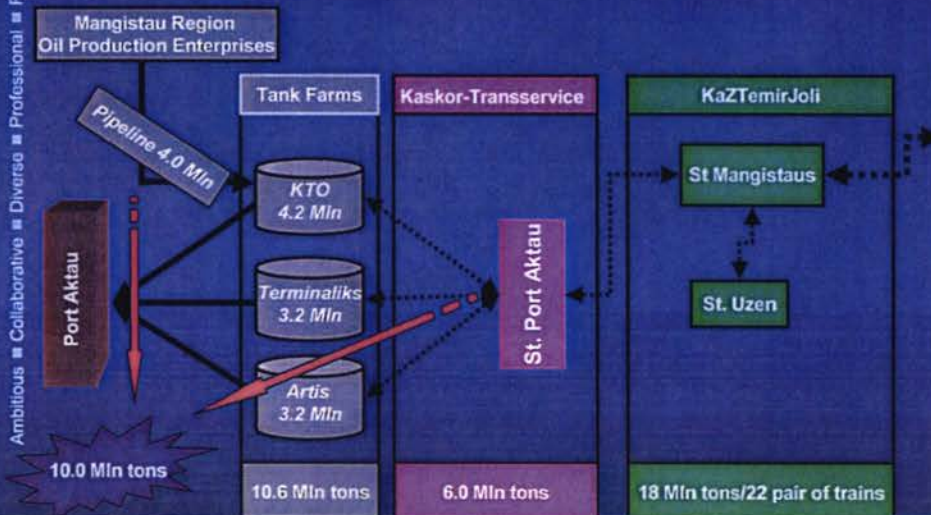


The project is funded by the European Union



The project is implemented by Scott Wilson & Proektirovshik

EXISTING OIL TRANSPORT CAPACITY IN AKTAU PORT





The project is funded by the European Union



The project is implemented by Scott Wilson & Proektirovshik

Ambitious ■ Collaborative ■ Diverse ■ Professional ■ Responsive

INCEPTION PHASE – INITIAL OBSERVATIONS

TRAFFIC FORECAST

1. Oil Forecasts
2. General Cargo Forecasts

scottwilson.com



The project is funded by the European Union



The project is implemented by Scott Wilson & Proektirovshik

Ambitious ■ Collaborative ■ Diverse ■ Professional ■ Responsive

AISCP OIL FORECASTS

Oil transportation forecast throughout Aktau port for 2007-2015 (in mln tons)

| | 2007 | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 |
|-----------------------|-------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|
| Name of Companies | | | | | | | | | |
| Agip | | | | | 5000 | 7000 | 7000 | 7000 | 7000 |
| Tengis Shevron | 1000 | 2000 | 2000 | 2000 | 4900 | 4900 | 5100 | 5300 | 5900 |
| Buzachi Operating LTD | 1500 | 2400 | 2600 | 3100 | 3100 | 3000 | 3000 | 3000 | 3000 |
| Karagambasunuy | 1300 | 1300 | 1300 | 1200 | 1300 | 1300 | 1300 | 1300 | 1300 |
| Mangystau Munygas | 1200 | 1200 | 1300 | 1300 | 1300 | 1300 | 1200 | 1200 | 1200 |
| JV Kazgermuniy | 2000 | 2000 | 2000 | 1700 | 1500 | 1500 | 1300 | 1100 | 900 |
| Maersk Oil Kazakhstan | 400 | 500 | 600 | 700 | 900 | 900 | 1000 | 1000 | 600 |
| CNPC Aktobe Munygas | 1500 | 600 | 600 | 600 | | | | | |
| Petro Kazakhstan | 500 | | | | | | | | |
| TOTAL | 9400 | 10000 | 10400 | 10700 | 18000 | 19900 | 19900 | 19900 | 19900 |

Prepared by AISCP on the basis of confirmed letters from oil production enterprises.

Aktau
06.07.07



Ambitious ■ Collaborative ■ Diverse ■ Professional ■ Responsive

The project is funded by the European Union



The project is implemented by Scott Wilson & Proektirovshik

GENERAL CARGO FORECASTS

1. Grain
2. Steel
3. Scrap Metal
4. Consumer Goods & Building Materials
5. LPG
6. Sulphur
7. New Markets
8. Free Trade Zone

scottwilson.com



Ambitious ■ Collaborative ■ Diverse ■ Professional ■ Responsive

The project is funded by the European Union

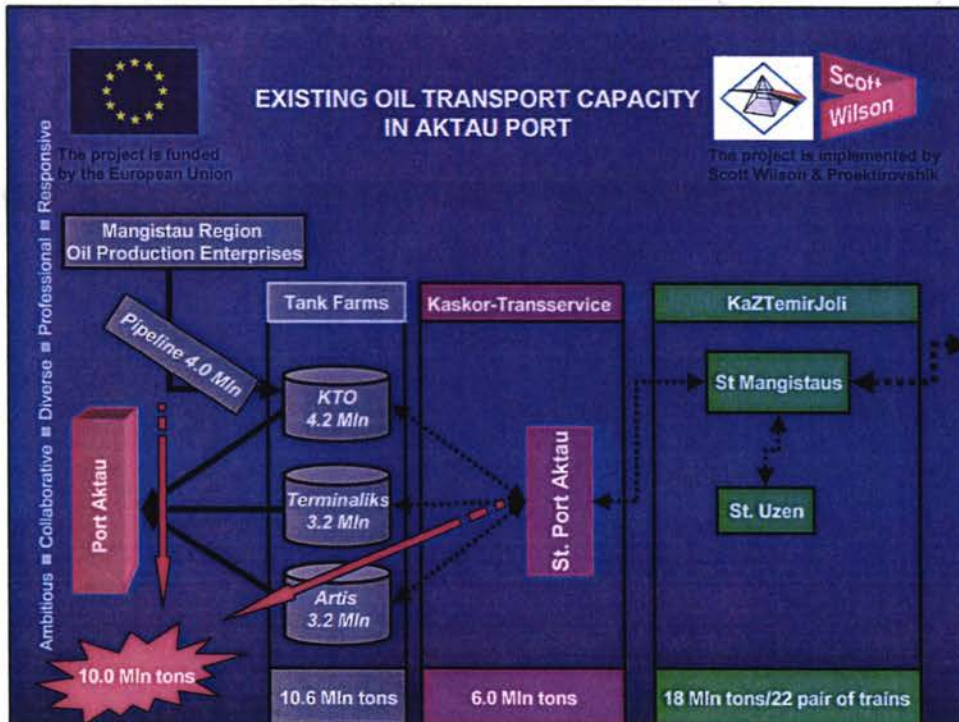




The project is implemented by Scott Wilson & Proektirovshik

INCEPTION PHASE – INITIAL OBSERVATIONS

1. Development Plans
2. New Berths
3. Expansion of Rail Network
4. New Pipelines & Tank Farms
5. Kuryk – Future Expansion
6. New Operating Procedures

scottwilson.com



-  **PORT OPERATIONS - EXISTING ISSUES** 
- The project is funded by the European Union The project is implemented by Scott Wilson & Proektirovshik
- Ambitious ■ Collaborative ■ Diverse ■ Professional ■ Responsive
- Berth occupancy/working time
 - Starting and completions due traditional port clearance routines
 - Cargo handling performance
 - Stock storage rather than transit storage of dry cargo
 - Manning levels - both operational and administrative
 - Operational and administrative IT systems
 - High downtime due to weather - waves at oil berths/ wind at others
 - Internal rather than external benchmarking
 - Oil Logistic Centre
 - Legal Framework
- scottwilson.com



The project is funded by the European Union

PORT OPERATIONS - FUTURE ISSUES



The project is implemented by Scott Wilson & Proektirovshik

1. Need to define long term functional responsibilities
2. Landlord, leaser, concessionaire or operator
3. Mixed or sole functions different parts of port
4. Outsource or create subsidiaries
5. Cost and profit centre management
6. Restructure to meet future needs not past functions
7. Develop performance indicators/user charter
8. Increase use of IT – Terminal management or community system

scottwilson.com

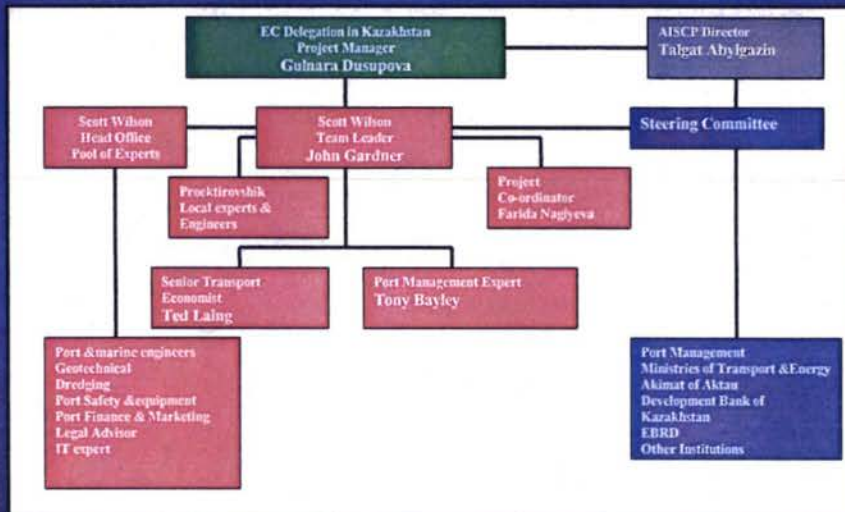


The project is funded by the European Union

PROJECT ORGANISATION



The project is implemented by Scott Wilson & Proektirovshik





The project is funded by the European Union



The project is implemented by Scott Wilson & Proektirovshik

Ambitious ■ Collaborative ■ Diverse ■ Professional ■ Responsive

STEERING COMMITTEE

- | | |
|---|--------------------|
| 1. Aktau Port | Chairman + 1 |
| 2. Ministry of Transport & Communications | 1 person |
| 3. Ministry of Economy & Budget Planning | 1 person |
| 4. European Union | EU Project Manager |
| 5. Development Bank of Kazakhstan | 1 person |
| 6. EBRD | 1 person |
| 7. Scott Wilson | Team Leader + 1 |

scottwilson.com



The project is funded by the European Union



The project is implemented by Scott Wilson & Proektirovshik

Ambitious ■ Collaborative ■ Diverse ■ Professional ■ Responsive

QUESTIONS ??

WHAT HAVE WE MISSED?

WHAT HAVE WE GOT WRONG?

HOW CAN WE IMPROVE THE SITUATION?

scottwilson.com

Ambitious ■ Collaborative ■ Diverse ■ Professional ■ Responsive



The project is funded by the European Union



The project is implemented by Scott Wilson & Proektirovshik

FUTURE MEETINGS

CONCLUSIONS

scottwilson.com

Ambitious ■ Collaborative ■ Diverse ■ Professional ■ Responsive



The project is funded by the European Union



The project is implemented by Scott Wilson & Proektirovshik

THANK YOU FOR ATTENTION !

scottwilson.com

Published August 2007

This publication has been produced with the assistance of the European Union.
The contents of this publication is the sole responsibility of
Scott Wilson and can in no way be taken to reflect the views of the European Union.

