C:\Users\tokumitsu.kobayashi\Desktop\statsvaaben.jpg [](http://upload.wikimedia.org/wikipedia/commons/f/f6/Flag_of_Iraq.svg) undp_logo

GENERAL COMPANY FOR PORTS IRAQ

With support from

UNITED NATIONS DEVELOPMENT PROGRAMME-IRAQ

UMM QASR SUSTAINABLE NAVIGATION AID PROJECT

Maritime Transport Sector

**3rd Quarter Report 2013**

**(1 July-30 September)**

**Field Operations**



Navigation Buoy (top-left) / Forklift for Workshop (top-right)

AIS Monitor (bottom-left) / Master Course at WMU (bottom-right)

**MARINE LIGHTING DIVISION, GCPI**

**Economic Recovery and Poverty Alleviation, UNDP-Iraq**

**Executive Summary**

During the 3rd Quarter of 2013, the Port Manager of Umm Qasr North Port, Mr. Safaa Al-Fayyadh continued with his Danida sponsored Ph.D. study at the World Maritime University (WMU) which commenced on June 17, 2013. Additionally, four (4) Danida sponsored M.Sc. students from GCPI continued their studies at the WMU and their graduation ceremony is expected on November 24, 2013.

The construction of the navigation control tower progressed throughout the 3rd Q and progress still on-going. The control tower is nearing completion, but there are still unfinished civil works including the completion of the tower top, other parts of the tower building, cementing and all finishing works. These remaining activities are expected to be completed within the last quarter of 2013 or early 2014.

Coastal Radio Station (CRS): Evaluation of bids for procurement of equipment to establish a Coastal Radio Station in the new Navigation Control Tower in Umm Qasr Port was completed during the second half of September 2013. The Bid Evaluation Report with a recommendation for selection of a Contractor who will be in charge of procuring equipment for the station, was sent to the Director General for review and approval.

The VTS Committee was expanded to include five members, with the Manager of the Marine Department as the new Chairman. During a meeting with the Committee in Basra in late September, it was confirmed that GCPI is planning to complete technical specifications and budget estimate before the end of 2013 to present the project to the Ministry of Transportation with a request for funding for the VTS and implementation in 2014.

Below is a summary of major activities in each active component during the 3rd Quarter of 2013:

1. Automatic Identification System / Vessel Tracking System (AIS/VTS)
2. Preparation of bidding documents for VTS equipment continued during the 3rd Q 2013 and is currently on-going. GCPI is now planning to complete the technical specifications and budget estimate by end of 2013.
3. Construction of VTS Tower is on-going and completion of all civil works is expected by end of the year or early 2014.
4. The procured AIS equipment was released at end of September from the Basra customs. The equipment is currently with the local contractor who is contractually committed to installation and commissioning before end of November 2013.
5. The Port Manager for Umm Qasr North Port Mr. Safaa Al-Fayyadh continues with his Danida sponsored Ph.D. study at the WMU which commenced on June 17, 2013.
6. Training of Hydrographic Surveyors: GCPI signed a new contract with Skilltrade firm for a new Hydrographic Survey Training in the Netherlands. The course is for six surveyors for a16 week duration.

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| Components | Achievements in Q3 2013 | Future Actions |
| AIS/VTS | * Preparation of Bidding Documents for VTS equipment continued and is on-going. * Construction of VTS Tower is on-going. * Tender bidding for Coastal Radio Station completed.   The procured AIS Equipment was cleared from the Basra customs   * The Port Manager continued with his PH.D. Studies at WMU. * Training course for 6 surveyors in the Netherlands | * GCPI is now planning to complete the technical specifications and budget estimate by end of 2013. * Completion of all civil works is expected by end of the year or early 2014. * Signing of contract with successful bidder. * Installation and commissioning of the equipment by the local contractor. * Ph.D. studies will continue for the Port manager. * The training course started on 17 September and will continue for 16 weeks. |

1. **Background**

In today’s global world, marine transport remains a key factor in economic development and maritime trade is critical in serving bulk and containerized shipment needs. Iraq has historically relied heavily on marine transport, but over the past twenty-five years, as a result of sanctions and conflict, the level of maritime traffic has reduced significantly and current high price of services restrains recovery. A range of work has been undertaken in the early post conflict and recovery phase to restore marine access to the Um Qasr port, including wreck removal, dredging and equipment restoration. Much has been achieved since 2003 with traffic through the port increasing. Progress is being furthered by a USD256 million soft loan from the Japanese Government and continued support of the U.S. Government. The Government of Iraq is working with different partners to improve and expand the Umm Qasr port for better and safer navigation, and the U.S. Government is supporting this objective.

The General Company for Ports of Iraq (GCPI) is the lead agency responsible for maritime affairs serving as the agency under the Ministry for Transport (MoT) with both regulatory and service provider functions. The GCPI organization and legislation is dated and institutional reform is needed. Some organizational review is being untaken with funds from the soft loan from the Japanese Government and the US Government is providing generalized training on maritime navigation. Drafting of new legislation for the establishment of an Iraqi Maritime Authority under the MoT is now being undertaken.

This project focuses on addressing the deficiency of proper visual navigation aids to meet international standards set by the International Association of Marine Aids to Navigation and Lighthouse Authorities (IALA) and has been extended to include preparatory work on Automatic Identification System/Vessel Tracking System (AIS/VTS) developments. The condition of the current visual navigation aids system in Iraq remains a safety concern causing unnecessary delays and obstacles that prevent some shippers from using the Umm Qasr Port.

This project is implemented under the national implementation modality (NIM) with GCPI nominated as the Executing Agency and UNDP is providing assistance and guidance while developing capacity and ownership. GCPI’s enhanced technical and managerial capacity, through seminars and work site visits, will enable the GCPI to undertake similar projects in the future.

The funding agreement for this project was signed in December 2008 and the project commenced with the release of funds in January 2009. The objectives of this project are to provide new buoys for safer access to the ports and to build capacity in maintenance and repair skills, through spare parts and a basic workshop facility; along with necessary training of key personnel. The Addendum No.1 signed in November 2009 on AIS/VTS provides an additional USD 499,900 to cover advice and technical assistance from the Danish Maritime Safety Administration (DAMSA), which merged into the Danish Maritime Authority (DMA) in October 2011, for introduction of AIS/VTS. The Addendum No.2 signed in December 2010 provides additional funds of USD 429,100.83 for technical assistance for the implementation of AIS/VTS for the period of 2011-2013.

1. **Scope of the Problem**

Over the past quarter century, war damage, poor maintenance, economic sanctions and a lack of investment in infrastructure and human resources has resulted in serious degradation of Iraq’s maritime sector and ports. Equally, Iraq has been unable to meet the requirements of the International Maritime Organization (IMO), specifically the requirements of the IALA. The layout of buoys published on navigation charts are not fully in place and no spares exist for repair and maintenance. Additionally, with the Safety of Life at Sea (SOLAS) Convention responsibilities, Iraq does not fully meet its international obligations for marine transport; continued development is needed to fulfill these obligations.

The sub-optimal state of the maritime infrastructure and services affects the safety of navigation through, and the use of, the Umm Qasr Port, and the current costs are high compared to regional port alternates[[1]](#footnote-1). Insurance premiums, high handling, and freight costs prevent economic and social recovery.

The institutional capacity of GCPI to implement all current works and to operate a commercially viable port appears to exist, with continued international capacity development, monitoring and support.

Basic operational structures and capacity are in place, with significant improvements achieved over recent years with the supply of new equipment, dredging and wreck removal and new investment. Yet, the capacity of the GCPI to operate and fund expansion of services is limited, with efforts towards privatization constrained, and only two berths are available on a short term contract basis. It is understood, however, that a move towards further privatization is presently under consideration in the Ministry of Transport but no decision has been made so far.

1. **General Company for Ports of Iraq (GCPI)**

The GCPI, under the MoT, is the key agency in Iraq responsible for international and domestic maritime regulation, oversight and management. GCPI was established under Law No. 7 of 1994 when the MoT was established, as amended by the Coalition Provisional Authority. GCPI responsibilities extend to safety, regularity, speed and facilitation of ports and services, currently with integration of both regulatory and service provider functions. It remains a very large agency, with central control and limited delegation of operational responsibilities and performance accountability.

If major improvements in port performance and reduced charges are to be achieved, a future organizational model consistent with modern practices and with the necessary legislative changes is important to establish. The emphasis to implement user fees, cost recovery and competitive service provision principles is now widely agreed as a basic need.

1. **Achievements**

In the 3rd Q 2013, the project moved towards completion of some of its components and will continue during the last quarter of 2013. Due to delays encountered on the implementation of some of the project components, particularly, on the finalization of the technical specifications of VTS equipment and the allocation of the required funding, it is expected that *the project will require a six months extension until 30th June 2014.*

Below is a list of the main achievements of 3rd Q are:

1. The Port Manager for Umm Qasr North Port (Mr. Safaa Al-Fayyadh) continued with his Danida sponsored Ph.D. study at the WMU which commenced on June 17, 2013;
2. The construction of the navigation control tower is nearing completion but still on-going;
3. The technical specifications and budget estimate for the VTS equipment is being prepared and expected to be finalized by end of this year;
4. Training course for six hydrographic surveyors commenced in the Netherlands during September 2013.
5. **Procurement of Buoy**

This component was completed in the 3rd Quarter of 2011.

1. **Procurement of Spare-parts** **for the Vessel “Nisr”**

This component was completed in the 4th Quarter of 2011.

1. **Procurement of Workshop Equipment**

This component was completed in the 1st Quarter of 2012.

1. **AIS and VTS**

Preparation of the VTS technical specifications continued in the 3rd Quarter of 2013:

1. VTS Equipment (Only Technical Assistance from this project.)

Technical specifications and budget estimate for the VTS equipment is being prepared and expected to be finalized by end of this year.

1. VTS Control Tower (GCPI’s Budget) - this activity is nearing completion and is on-course to be completed at the end of this year or early 2014.
2. AIS Component (GCPI’s Budget)

GCPI opened a Letter of Credit (GCPI funding of USD 700,000) at the end of November 2012 in favor of the local firm Kheberat for implementation of the AIS Phase II project (procurement of one AIS transponder for Abu Floos Port, one gyroscope disc for the pilot station vessel, three V-sat connections, 15 GateHouse AIS display software licenses, 30 desktop computers, network equipment, servers and training of 12 staff; operators and technicians). The new equipment arrived in Basra in June 2013, and was cleared from the customs in September. The local contractor will install and commission the equipment by November 2013.

1. Scholarship to WMU

Due to his position in the Basra Iraqi government as Port Manager, Mr. Safaa has not moved permanently to Malmö, Sweden but has attended a twoweeks of consultations with his supervisor at the WMU in September. The first progression seminar is tentatively scheduled for January or beginning of February 2014.

1. Training programme for hydrographic surveyors

GCPI signed a new contract with the Dutch firm Skilltrade for six GCPI staff to attend a new Hydrographic Survey Course in the Netherlands for duration of 16 weeks. The funding is from GCPI’s in-house training budget. The six students, supported by one team leader/translator, travelled to the Netherlands on September 17, 2013 to start the course.

**Progress Against Project Outputs**

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| **OUTPUT 1: Access to Umm Qasr Port improved through provision of effective visual NavAid system.** | | | |
| **Activity Result 1**  **(Atlas Activity ID-4)** | Detailed specification and bid documents available. | | Start Date: January 2009  End Date: September 2011 |
| **Purpose** | To ensure that the visual NavAids system provides for effective access to/from Umm Qasr Port for vessels in all conditions and meets IALA Code requirements. | | |
| **Description** | Review of channel data, pilotage practice and compliance with standards. This involves the development of a functional specification, detailed bid documents, procurement by GCPI, manufacture and delivery of modern aids, installation of aids and reporting on placement. | | |
| **Quality Criteria** | | **Quality Method** | **Date of Assessment** |
| Adequacy of planned NavAids system | | Review by UNDP Marine Advisor | 2009 |
| Suitability of technical specification | | Review by UNDP Marine Advisor & DAMSA | Specification reviewed by DAMSA and finalized |
| Procurement procedures follow best practice | | Review by UNDP | Workshop held 28-30 September 2009  Contract was signed on 21 September 2010 between GISMAN and GCPI |
| Quality of supply and manufacture | | Inspection at factory and delivery by GCPI and UNDP Marine Advisor | Three inspections were conducted and the results were satisfactory:  1st: October 2010  2nd: February 2011  3rd: April 2011 |

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| **OUTPUT 2: Sustainability of assets through training and repair facilities.** | | | |
| **Activity Result 1**  **(Atlas Activity ID-3)** | **Sustainability of assets through training and repair facilities.**  **(Procurement of Workshop Equipment)** | | Start Date: March 2009.  End Date: Jan 2012. |
| **Purpose** | To ensure that GCPI has improved capacity to repair and service the NavAids through training of staff and supply of necessary equipment and spare parts to meet periodic repair and re-positioning. | | |
| **Description** | Training of staff through both offshore and onshore workshops/instruction, along with establishment of a dedicated repair facility and asset management system. | | |
| **Quality Criteria** | | **Quality Method** | **Date of Assessment** |
| Staff selected, trained, benefited from and used skills | | Review by GCPI | Workshop held in Korsoer for 4 GCPI representatives in Q4 2009 |
| *Nisr* operative & workshop capable of meeting repair need | | Review by UNDP Adviser | To be determined |
| Spare parts and procurement | | Review by GCPI and UNDP | No objection from UNDP for the evaluation on 30 May 2011  GCPI signed on the contract on 3 October 2011  Equipment arrived at the Umm Qasr Port on 20 December 2011  GCPI inspected the equipment on 4 January 2012 |
| Repair workshop remains operative | | Review by GCPI | Workshop renovation completed on 28 April 2011 |

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| **OUTPUT 3: Institutional and management capacity developed for effective management of the port access issues.** | | | |
| **Activity Result 3**  **(Atlas Activity ID-5)** | **Provision of spare parts for the vessel *Nisr.*** | | Start Date: March 2009  End Date: October 2011 |
| **Purpose** | To ensure that GCPI has the capacity to keep the buoy laying vessel Nisr fully operational. | | |
| **Description** | Agreement on a necessary spare parts listing and supply of these to the workshop store. | | |
| **Quality Criteria** | | **Quality Method** | **Date of Assessment** |
| Spare parts procurement | | Review by UNDP | UNDP took over procurement activity in 2010.  MAK: Completed  SCANIA: Completed  Bow Thruster: Completed  Liebherr: completed on 3 October 2011 |

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| **OUTPUT 4: (New project variation) Provision of technical advice on Automatic Information System/Vessel Tracking System.** | | | |
| **Activity Result 4**  **(Atlas Activity ID-6)** | **Provision of technical advice on Automatic Information System/Vessel Tracking System (AIS/VTS).** | | Start Date: October 2009  End Date: December 2013  Expected End Date: June 2014. An extension request will be submitted to DANIDA soon. |
| **Purpose** | To provide GCPI with direction and support in designing and implementing an AIS/VTS system to meet IMO requirements. | | |
| **Description** | * Continued technical assistance by DAMSA * Fellowship for the World Maritime University * Training for Hydrographic Surveyors | | |
| **Quality Criteria** | | **Quality Method** | **Date of Assessment** |
| # of fellowship sent to WMU | | UNDP | Dec. 2013 |
| # of surveyors trained | | UNDP | Dec. 2013 |

6. **Impact of Security, Risks, Mitigation Measures and Remedial Actions**

***bundp20mm*Risk Log**

A risk log is used within UNDP to monitor potential issues that could be faced and establish counter measures to mitigate or manage that risk.

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| **#** | **Description** | **Date Identified** | **Type** | **Impact &**  **Probability** | **Countermeasures / Management response** | **Owner** |
| 1 | Allocation for NavAid procurement insufficient for modern buoy deployment  (I.e. To meet IALA standards). | Project Document | Financial, Operational and Organizational | The number & capacity of aids may not be sufficient for effective approach channel marking.  P =4  I = 3 | Effective design of navigation aids.  Competitive bidding & appropriate specification.  Supplementary funding sought.  Revision of technical specification being undertaken. | UNDP Project Manager |
| 2 | Security situation may restrict and limit ability to consult and analyze situation. | Project Document | Environmental | Unstable political & security conditions may result in limited results.  P = 3  I = 4 | Monitor situation & adjust strategy to achievable targets. | UNDP Project Manager |
| 3 | Security deterioration and/or flight occupancy may hamper the international advisor’s posting and missions. | Project Document | Operational | Limited access to data and counterpart views may result in low penetration, resulting in low acceptability.  P = 3  I = 3 | Pre-plan and reserve flights, or use alternate implementation modes. | UNDP Project Manager |
| 4 | Team member inputs are less than optimal, resulting in a less comprehensive strategy. | Project Document | Organizational | Value & quality of specialist analysis is not appropriate or capability constrained.  P = 3  I = 3 | Staff selection process effective and draft outputs reviewed by peers, including IMO/IALA for quality assurance. | UNDP Project Manager |
| 5 | Target of intervention not broad enough to ensure political & planning support to complete project activities. | December 2008 | Strategic | Intervention does not achieve a whole-of-government or GCPI acceptance/support.  P =3  I = 4 | Marketing strategy put in place and follow-up.  Project Committee meetings held. Elections may result in a new Minister and policy or direction*.* | UNDP Project Manager |
| 6 | Competition and lack of cooperation between various levels of Government, and Departments. | December 2008 | Environmental | Agreement between federal, governorate & port levels, and ministries, not achieved.  P = 3  I = 3 | Broad consultation and reference to IMO SOLAS. Convention obligations. Involvement of operators and regional shipping interests. | UNDP Project Manager |
| 7 | Lack of resources for implementing plan of action e.g. Workshop provision. | December 2008 | Financial, Organizational | Donor &/or national budget resources not available for effective implementation of all activities.  P = 3  I = 4 | Develop pipeline in conjunction with MOPDC & key donors.  Involve MOF and private sector. GCPI has increased workshop funding. | UNDP Project Manager |
| 8 | Lack of capacity in GoI agencies, especially GCPI, to implement project (e.g. *Nisr* non-operational). | December 2008 | Organizational | Program of action not implemented fully and constraints continue.  P = 3  I = 3 | Key result of training component and institutional review. | UNDP Project Manager |
| 10 | Activities not completed in project timeframe. | December 2008 | Operational | Actions necessary for achievement of goals incomplete.  P = 2  I = 4 | Effective scheduling with longer term follow-up strategy.  Extend timeframe. Now expected that project will roll over into 2011. | UNDP Project Manager |

**7. Expenditure**

The total UNDP expenses incurred up to 30 September 2013 is US$ 2,913,863.86. The details are as follow:

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| Row Labels | Sum of Sum Amount |
| Contract | 485,071.82 |
| Indirect Support Costs | 191,456.32 |
| Miscellaneous | 56,483.72 |
| Personnel | 229,330.29 |
| Professional Services | 32,136.66 |
| Supplies ,Commodities, Equip, Transport | 1,915,441.01 |
| Travel | 3,944.04 |
| Grand Total | 2,913,863.86 |

**8. Conclusion:**

During the 3rd Quarter of 2013, the following progress was made:

1. The Port Manager for Umm Qasr North Port Mr. Safaa Al-Fayyadh continued with his Danida sponsored Ph.D. study at the WMU which commenced on June 17, 2013; Mr. Safaa attended a two weeks of consultations with his supervisor at the WMU in September 2013;
2. The construction of the navigation control tower is nearing completion but still on-going;
3. The technical specifications and budget estimate for the VTS equipment is being prepared and expected to be finalized by end of this year;
4. GCPI signed a new contract with Skilltrade for hydrographic training, for six hydrographic surveyors. This training was commenced.
5. Procurement of Buoys:

Completed

1. Procurement of Spare-parts for the Vessel “NISR”:

Completed

1. Procurement of Workshop Equipment:

Completed

1. AIS/VTS:

Preparation of the VTS technical specifications continued in the 3rd quarter

(1) VTS Equipment (Only Technical Assistance from this project.)

Technical specifications and budget estimate for the VTS equipment is being prepared and expected to be finalized by end of this year.

(2) VTS Control Tower (GCPI’s Budget) - this activity is nearing completion and is on-course to be completed at the end of this year or early 2014.

The tower is expected to be completed in November 2013.

(3) AIS Component (GCPI’s Budget)

The new equipment arrived in Basra in June 2013, and was cleared from the customs in September. The local contractor will install and commission the equipment by November 2013.

1. *Refer World Bank “Doing Business in Iraq, 2009”* [↑](#footnote-ref-1)