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

**2nd Quarter Report 2013**

**(1 April-30 June)**

**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 2nd Quarter of 2013 the General Company for Ports in Iraq (GCPI) Project Manager for the hydrographic training arranged training courses in Maritime English at the GCPI Training College in Basra for two groups of trainees, each consisting of six persons. These courses, which were delivered over 3 weeks, were completed in the second week of June.

In June 2013, several meetings were held in Basra to discuss the next steps for the hydrographic training, and a proposal was submitted by Skilltrade to GCPI for review, approval and financing. Once approved by GCPI, the training for the hydrographic surveyors will commence. The construction of the Vessel Tracking System (VTS) tower is progressing. The official chosen for PhD programme traveled to Sweden on 12 June for consultations on his PhD Programme with his supervising professor.

Below is a summary of major activities in each component during the 2nd Quarter of 2013:

1. Automatic Identification System / Vessel Tracking System (AIS/VTS)
2. Preparation of bidding documents for VTS equipment is ongoing and still pending;
3. Construction of VTS Tower has progressed substantially; during the 1st Quarter of 2013, the building was at foundation stage, by the 2nd Quarter the building is almost complete and the tower has been placed and it is visible from far away.
4. A contract for AIS Equipment was signed and equipment arrived in Basra;
5. An official was nominated and enrolled in the PhD course of World Maritime University (WMU) and traveled to Sweden for his first consultations.

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| Components | Achievements in Q2 2013 | Future Actions |
| AIS/VTS | * Preparation of Bidding Documents for VTS equipment on-going * Construction of VTS Tower commenced and ongoing * A contract for AIS Equipment was signed * An official was enrolled in the PhD. programme at WMU | * Bid announcement is expected in 3rd Quarter 2013 * Completion will be 3rd Quarter of 2013 * Manufacturing period * Courses continue |

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**

During the 2nd Quarter of 2013, GCPI’s Project Manager for the hydrographic training arranged training courses in Maritime English at the GCPI Training College in Basra for two groups of trainees, each consisting of six persons. These courses were delivered over three weeks and were completed in the second week of June 2013. Several meetings were held in Basra during June 2013 to discuss the next steps for the hydrographic training, and proposals are under study.

1. **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**

Major progress of AIS/VTS component in the 2nd Quarter of 2013:

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

Preparation of the bidding documents for VTS equipment is still on-going as of 30 June 2013 and is expected to be finalized early in the 3rd Quarter 2013.

1. VTS Control Tower (GCPI’s Budget)
2. The contract commenced on the 1st Quarter of 2012 and work on the ground is progressing. During the 1st Quarter of 2013, the building was at foundation stage, by the 2nd Quarter the building is almost complete and the tower has been positioned and it is visible from far away.

The tower is expected to be completed in November 2013.

1. 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 is awaiting customs clearance, testing and commissioning.

1. Scholarship to WMU

GCPI nominated an official to the scholarship for a PhD programme at WMU. The official received academic clearance as of 29 November 2012. UNDP completed the necessary payment to WMU on 12 December 2012.

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| No. | Name | Course Subject |
| 1 | Mr. Safaa A. J. Al-Fayyadh | PhD Programme in Maritime Affairs |

Mr. Al-Fayyadg was academically cleared for his research proposal on *Port Management Balance between Business Development and Public infrastructure administration--A Comparative Study of the Legal Framework for Port Management and Development in Europe and the Middle East.* The proposal will be further developed and refined in consultation with his supervisor, Professor Daniel Moon and a revised plan will be presented at the first progression seminar, which will be held after six months from the date of enrollment. Passing of the seminar, including an approval of the detailed proposal by the Progression Board, is a condition to continue the programme at WMU. Mr. Safaa Al-Fayaadh traveled to Sweden for one week on 12 June for his first direct consultations with his PhD supervisor .

1. Training programme for hydrographic surveyors

A final decision has yet to be communicated to UNDP by GCPI, though there is information suggesting that GCPI will use Hypack software for training. It is not clear if the other software, NaviPack, will be used in parallel or discontinued altogether.

**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 |
| **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 June 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, Equib, Transport | 1,915,441.01 |
| Travel | 3,944.04 |
| Grand Total | 2,913,863.86 |

**8. Conclusion:**

During the 2nd Quarter of 2013 the General Company for Ports in Iraq (GCPI) Project Manager for the hydrographic training arranged training courses in Maritime English at the GCPI Training College in Basra for two groups of trainees, each consisting of six persons. These courses, which were delivered over three weeks, were completed in the second week of June.

In June 2013, several meetings were held in Basra to discuss the next steps for the hydrographic training, and a proposal was submitted by Skilltrade to GCPI for review, approval and financing. Once approved by GCPI, the training for the hydrographic surveyors will commence.

The construction of the Vessel Tracking System (VTS) tower is progressing. The official chosen for PhD programme traveled to Sweden on 12 June for consultations on his PhD Programme with his supervising professor.

1. Procurement of Buoys:

Completed

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

Completed

1. Procurement of Workshop Equipment:

Completed

1. AIS/VTS:
2. Preparation of technical specifications for VTS equipment is still in the final stage. UNDP monitored GCPI initiation of the bidding process in the 1st Quarter of 2013 so that the delivery schedule matches with the completion of VTS tower. However, VTS equipment was supposed to be ready and available with the completion of , but this may be delayed now since the bidding process for the VTS equipment is delayed. The bidding process was not completed during the 1st and 2nd Quarters 2013 and is an on-going activity which will continue to be monitored by UNDP in the 3rd Quarter of 2013. The Director General (DG) of GCPI confirmed GCPI’s intention to proceed with implementation of the VTS and to utilize the remaining Danida budget for technical assistance for finalizing technical specifications. This task will continue into the third and fourth quarters of 2013.
3. Construction of the VTS control tower is on-going at site. During the 1st Quarter of 2013, the building was at foundation stage whereas in the 2nd Quarter the building is almost complete and the tower is on top and visible from far away. The tower is expected to be completed by November 2013.
4. Mr. Safaa Al-Fayaadh traveled to Sweden for one week on 12 June for his first direct consultation with his PhD supervisor study. GCPI will nominate one more official to the PhD course by the completion of the project on 31 December 2013.
5. The first training of hydrographic surveyors was conducted in March 2013. Consolidated budget and proposal for additional training was requested by GCPI and was presented by Skilltrade. This is now under consideration by GCPI for approval and financing. GCPI planned to make a decision on the application software to be adopted for GCPI’s hydrographic survey by the 1st quarter of 2013, in order to organize the training programme before the project end date. However, a final decision has yet to be made by GCPI. UNDP received information that GCPI will continue to use Hypack Survey Software, but it is not clear whether the other software, NaviPac will be discontinued or to be used in parallel with Hypack.

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