

Country Name	<b>Project on Master Plan Study for Port Sector in Iraq</b>
Republic of Iraq	

**I. Project Outline**

Background	<p>Iraq's economic recovery started in 2004 and achieved a high average economic growth rate until 2012. To support such economic growth, it was indispensable to ensure smooth import, export and distribution of goods through the restoration of gateway ports, particularly Umm Qasr Port (UQP) and Khor Al Zubayr Port (KZP). To cope with the increase of freight anticipated in the near future, Iraqi ports were in need of further development and improvement of port facilities. It was therefore an urgent task to prepare a master plan for development of the major ports of Iraq, and to accelerate development of these ports in accordance with the master plan*.</p> <p>*The Port Sector Rehabilitation Project II, supported by JICA, was in the detail planning phase when the master plan was developed. A part of the action plans mentioned on the master plan, i.e., the service berth proposed by the Pre-Feasibility Study for the Priority Projects, is funded by the Japanese ODA loan provided for the Port Sector Rehabilitation Project II.</p>						
Objectives of the Project	<p>Through development of Port Sector Development/Administration Strategy (target year 2035), Port Master Development/Administration Plan for Main Ports and Waterways (target year 2035), Short/Mid-Term Development Plan for UQP and KZP (target year 2025), Pre-Feasibility Study for the Priority Projects (target year 2025), and Short/Mid-Term Action Plan for Port Administration/Management/Operation (target year 2025), the project aimed at development of the port sector in Iraq, thereby contributing to the increase in total volume and efficiency of port freight handling in Iraq.</p> <p>1. Expected Goals through the proposed plan<sup>1</sup>: Increase in total volume and efficiency of port freight handling in Iraq</p>						
Activities of the Project	<p>1. Project Site: Major ports in Basrah Governorate in the southern region of Iraq (UQP, KZP, Al Maqil, Abu Flus and New Al Faw Ports)* * The access waterways to these ports and the adjacent areas are included in the target study area.</p> <p>2. Main Activities: (a) Review of the existing studies and analysis of the present condition, (b) Formulation of the Port Sector Development/Administration Strategy in Iraq (target year 2035), (c) Formulation of the Port Master Development/Administration Plan for Main Ports and Waterways in Iraq (target year 2035), (d) Formulation of the Short/Mid-Term Development Plan for UQP and KZP (target year 2025), (e) Formulation of the Pre-Feasibility Study for the Priority Projects (target year 2025), (f) Formulation of the Short/Mid-Term Action Plan for Port Administration/Management/Operation (target year 2025), (g) Relevant technology transfer</p> <p>3. Inputs (to carry out above activities)</p> <table border="0" style="width: 100%;"> <tr> <td style="width: 50%;">Japanese Side</td> <td style="width: 50%;">Iraqi Side</td> </tr> <tr> <td>1) Mission members: 16 experts and staffs</td> <td>1) Staff Allocated: 40 persons</td> </tr> </table>			Japanese Side	Iraqi Side	1) Mission members: 16 experts and staffs	1) Staff Allocated: 40 persons
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Project Period	August 2013 – December 2015	Project Cost	(ex-ante) 300 million yen, (actual) 328 million yen				
Implementing Agency	Ministry of Transport (MOT) General Company for Ports of Iraq (GCPI)						
Cooperation Agency in Japan	Ides Inc., Nippon Koei Co., Ltd., Oriental Consultants Global Co., Ltd.						

**II. Result of the Evaluation**

## &lt; Special Perspectives Considered in the Ex-Post Evaluation &gt;

- In the ex-ante evaluation, “progress of projects proposed in the action plan” is presented as an indicator for expected goals through the proposed plan. However, it seems that this indicator is more appropriately applied to evaluate utilization status of the proposed plan. Therefore, the “progress of projects proposed in the action plan” is used as Indicator 3 of “utilization status of the proposed plan”. As for Indicator 3, the target year of the proposed project is 2025. As the year of ex-post evaluation is 2019, the achievement level was assessed based on the extent of the progress at the time of the ex-post evaluation against the expected progress in the time line until the target year of 2025.
- “Service berth proposed in the pre-feasibility study” addressed under the “Status of Achievement of Utilization Status of the Proposed Plan and Expected Goals through the Proposed Plan” has been financed through the Port Sector Rehabilitation Project II. However, the service berth is only one item out of 12 items used for evaluating the effectiveness/impact and consists a small financial portion of the overall action plans. Therefore, influence of the ODA project on rating the indicators: “Formulation of budget to implement the proposed action plans” and “Progress of port development based on the proposed action plan”, under the effectiveness/impact, is considered to be limited.

**I Relevance**

## &lt;Consistency with the Development Policy of Iraq at the Time of Ex-Ante Evaluation and Project Completion&gt;

In the National Development Plan (2010-2014), transportation was described as an important sector that would support the flow of economic activities and increase their efficiency. At the time of project completion, in the National Development Plan (2013-2017), the expansion of port capacity was described as the important sector.

<sup>1</sup> The degree of achievement of expected goals is not to be assessed in principle at the time of ex-post evaluation, since it is defined as the medium-to-long-term goals which will be attained as a result of crystallizing the proposed plan (“output” of the project).

<Consistency with the Development Needs of Iraq at the Time of Ex-Ante Evaluation and Project Completion>

In Iraq, the development and improvement of the transport sector, which was supposed to serve as a foundation of economic growth, was delayed due to the influence of long-lasting war. Additional investment to the transport sector was limited and development policy was not formulated until recently. Drastic changes on development needs were not reported at the time of project completion.

<Consistency with Japan's ODA Policy at the Time of Ex-Ante Evaluation>

In the Country Assistance Policy for the Republic of Iraq (2012), one of the three priority areas is strengthening economic infrastructure in sectors such as electricity, transportation, and telecommunication.

<Evaluation Result>

In light of the above, the relevance of the project is high.

2 Effectiveness/Impact

<Status of Achievement for the Objectives at the time of Project Completion>

The master plan study for the port sector was completed by the project. The final report of the master plan study was composed of the following main components as planned: 1) Port Sector Development/Administration Strategy (target year 2035), 2) Port Master Development/Administration Plan for Main Ports and Waterways (target year 2035), 3) Short/Mid- Term Development Plan for UQP and KZP (target year 2025), and 4) Short/Mid- Term Action Plan for Port Administration/Management/Operation (target year 2025). In addition, in the course of the study, it was recognized that a pre-feasibility study for service berths and another study on port security management and port waste reception facilities were necessary as additional studies<sup>2</sup>, and Pre-Feasibility Study Report on Service Berth was compiled separately.

< Utilization Status of the Proposed Plan at the time of Ex-post Evaluation>

The action plans proposed in the master plan study and the pre-feasibility study have been in progress to some extent at the time of ex-post evaluation. As the country has been under financial crisis due to the war, it was impossible for MOT to commit to official approval of the plan and make a financial commitment for it. However, the Iraqi government has allocated its budget to implement some portion of the short/mid-term plan, and some of them were carried out in cooperation with private operators, which means that the master plans have been effectively utilized. Among 11 items proposed in the Short/Mid-term development plan up to 2025, four items were planned to be completed by the end of 2019 and one of them, development of UQP-North Yard behind Berth No. 20, has already achieved 100% completion. Regarding the service berths proposed to be rehabilitated by 2018 in the Pre-Feasibility Study, 28% of the rehabilitation work has been completed. As to the actions for improving port management and operation proposed in the action plan, items regarding security standards in line with the International Ship and Port Facility Security (ISPS) code and the Maritime Authority Law have been actually implemented, but detailed information was not available for the rest of the proposed actions.

<Status of Achievement for Expected Goals through the Proposed Plan at the time of Ex-post Evaluation>

Expected effects through the utilization of the proposed plan have been recognized to some extent. According to GCPI, conventional cargo volume has increased from 11 million tons/year in 2013 to 28 million tons/year in 2018, although it is not clear to what extent the project contributed to the increase. Efforts to increase freight handling efficiency, using measures suggested in the master plan, have been observed during the past year, as seen in, for example, marine traffic control of the port and introduction of port operation system, although actual increase of freight-handling efficiency was not verified by statistical data.

<Other Impacts at the time of Ex-post Evaluation>

No negative impact has been caused by the project at the time of ex-post evaluation.

<Evaluation Result>

In light of the above, the effectiveness/impact of the project is fair.

Status of Achievement of Utilization Status of the Proposed Plan and Expected Goals through the Proposed Plan

Aim	Indicators	Results
(Utilization Status of the Proposed Plan) Port development and management is improved by measures adopted by the Iraqi government following the formulated master plan.	Progress of deliberation of proposed master plan toward approvals	(Ex-post Evaluation) partially achieved • Due to the financial difficulties caused by the war, the master plan has not been officially approved but a certain part of the master plan has been implemented, which means that the master plan have been effectively utilized.
	Formulation of budget to implement the proposed action plans	(Ex-post Evaluation) partially achieved • The Iraqi government has allocated its budget to implement some portion of the short/mid-term plan.
	Progress of port development based on the proposed action plan	(Ex-post Evaluation) partially achieved 11 items proposed in the short/mid-term development plan up to 2025 in the master plan - Four items are planned to be completed by the end of 2019. One of the four has achieved 100% completion. One item's completion rate reaches 44% and is expected to be completed by the end of 2020. Another item has achieved completion rate of 26% to 70%, depending on each part of the item. Detailed information was not available for the remaining one item. - Progress of the seven items to be completed from 2020 to 2024 varies, however, according to GCPI, all items are intended to be completed 100% until 2024 if enough finance is secured.
	Service berth proposed in the pre-feasibility study	- Achievement rate: 28% (originally planned to be completed in 2018)
	Actions for improving port management and	- Security standards in line with ISPS code has been applied to the 13 berths out of 48 <sup>3</sup> of GCPI ports.

<sup>2</sup> The additional studies were agreed in the Minutes of Meetings (M/M) signed on February 2015.

<sup>3</sup> The total number of berth is based on the National Development Plan (2018-2022).

		operation proposed in the action plan	- The Maritime Authority Law has been approved by the Council of Ministers and GCPI plans to adopt the requirements of the International Convention for Security of Life at Sea (SOLAS).
(Expected Goals through the Proposed Plan)	Increase in the total amount of port freight handling	(Ex-post Evaluation) achieved • The volume of freight handling is as follows. 2013: 11 million tons/year, 2015:17 million tons/year; 2018: 28 million tons/year	
Increase in the total amount of port freight handling and in the efficiency of port freight handling in Iraq	Increase in the efficiency of port freight handling	(Ex-post Evaluation) The degree of achievement could not be quantitatively assessed. • Efforts to increase freight handling efficiency have been recognized in marine traffic control of the port and introduction of port operation system, although specific data was not available.	

Source : Final Report, Questionnaire and interview to MOT and GCPI

### 3 Efficiency

Both of the project cost and period exceeded the plan (ratio against the plan: 109% and 112%, respectively) <sup>4</sup>. Therefore, efficiency of the project is fair.

### 4 Sustainability

#### <Policy Aspect>

The National Development Plan (2018-2022) identifies weak operation and management of ports as a challenge which needs to be addressed. GCPI implements the program “Raising the power of ports (2018-2021)” to increase the capacity of Iraqi ports.

#### <Institutional Aspect>

The implementation of the action plans proposed in the master plan requires various departments broadly spread throughout GCPI to be involved. There are about 9,000 staffs in GCPI. They consider that there is sufficient manpower to implement the action plans proposed in the master plan although the information on each department and section was not fully provided.

#### <Technical Aspect>

The technical level of personnel of each department/section is somewhat sufficient. However, there are some areas to be improved. At the Planning Department and the management of GCPI, although they have the ability to plan and manage the operation of the ports to a certain level, better planning and improvement in the management of the overall operations is required. The loading and unloading section of each port needs to enhance their management of terminals and handling capacities, and GCPI has started implementing contracts with various terminal operators in order to increase the capacity of the ports. GCPI also provides training to its staff in order to increase handling capacities.

Currently, GCPI is increasing the capacity of training facilities through reinforcement of physical infrastructure and providing more training opportunities.

#### Budget on development and administration/operation of ports\*

(Unit: Million US Dollars)

Agency	2015	2016	2017	2018
MOT	19,436	12,608	113,340	88,925
GCPI	187,740	207,423	230,636	250,632

#### <Financial Aspect>

A large part of current operation is carried out by joint operation contracts with private companies, which supplements the MOT and GCPI budget. While GCPI considers that the budget is sufficient, it is conditional to the sustainability of joint operation contract. Thus, there is uncertainty on sustainable budgeting of port operation, management and maintenance.

\* The increase of MOT budget in 2017 may be the result of the increase of the number of joint operation contracts with private companies. It is assumed that the external fund is reflected in the budget data but the detailed information was not available.

#### <Evaluation Result>

In light of the above, slight problems have been observed in terms of the technical and financial aspects of the implementing agency. Therefore, the sustainability of the effectiveness through the project is fair.

### 5 Summary of the Evaluation

The objective of the project was achieved by the time of project completion by submitting the master plan as planned. The master plan was not officially approved by MOT although some actions proposed in the plan have been in progress. Therefore, the effectiveness/impact is fair. On sustainability, further capacity development is required at GCPI and there is some uncertainty in the allocation of the budget, and therefore the sustainability of related agencies is fair. As for efficiency, both project cost and period exceeded the plan. Considering all of the above points, this project is evaluated to be partially satisfactory.

<sup>4</sup> The initial plan of the project period was 18 months. It was extended to 26 months in the M/M signed in February 2015 to implement an additional component. The additional component was necessary to finalize the formulation of the Pre-Feasibility Study on a Service Berth(s), which was identified as a priority project, and to implement additional study on waste reception facilities in port and port security management in accordance with the international treaties (ISPS, SOLAS) which newly went into effect. With this situation, the planned project period (to be used in the calculation of the ratio against the plan) is considered as 26 months.

### III. Recommendations & Lessons Learned

#### Recommendations for Implementing Agency:

- It is recommended that GCPI Planning Department takes necessary procedures for official endorsement of the master plan and its budget in order to commit to the strategy identified through the master plan study
- It is desirable that GCPI starts the collection of data which indicates efficiency of freight handling in order to measure the progress of improvement in efficiency of operation.
- It is desirable that GCPI has a clearer idea about the departments and sections as well as human resources involved in order to carry out the plans and strategies identified through the master plan. GCPI is recommended to identify key areas of focus with the master plan and to identify which sections and departments in GCPI need to be involved in order to achieve the key target set forth.

#### Lessons Learned for JICA:

- In the project, with the financial crisis that the country was going through at the end of the project due to the long-lasting war, the implementing agency was not able to obtain financial commitment which accompanies the official endorsement of the master plan. In developing a master plan, it is important to investigate financial feasibility and some options of funding methods and to obtain a commitment from the counterpart country so that the counterpart country commits to an endorsement and implementation after the study is complete.