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SHEBERGHAN GAS GENERATION ACTIVITY (SGGA)

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Monthly Report

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Acronyms and Abbreviations

ADB	Asian Development Bank
AESP	Afghanistan Engineering Support Program
AGE	Afghan Gas Enterprise
APPF	Afghan Public Protection Force
ARDS	Afghanistan Reconstruction and Development Service
CEO	Chief Executive Officer
COO	Chief Operating Officer
COP	Chief of Party
DABS	Da Afghanistan Brishna Sherkat
DG	Director General
ICT	Information and Communication Technology
IPP	Independent Power Plant
ISS	International Success School
MEW	Ministry of Energy and Water
MoMP	Ministry of Mines and Petroleum
MW	Megawatt
OFR	On-Site Field Representative
OPIC	Overseas Private Investment Corporation
PMP	Performance Monitoring Plan
PSA	Public Service Announcement
SGDP	Sheberghan Gas Development Project
SGGA	Sheberghan Gas Generation Activity
SPC	Special Procurement Commission
SPIT	Sheberghan Project Implementation Team
SPMT	Sheberghan Project Management Team
TCN	Third Country National
TFBSO	Task Force for Business and Stability Operations
USAID	United States Agency for International Development

1 GAS WORKSTREAM (MOMP LIAISON, DRILLING, ENVIRONMENTAL)

1.1 Achievements / Activities

- Reviewed and respond to MoMP/TFBSO proposal to issue tender for production sharing agreement for “Totimaidan” Block that would include the Juma/Bashikurd Field; responses included comments and suggested contract requirements and contract language sent to L. Foster at TFBSO, and providing comments and analysis to USAID.
- Completed draft of portions of Juma/Bashikurd operations reports manual containing reporting requirements for drilling contractor and sent to Peter Stuart-Thompson (MoMP) for comments and recommendations; Stuart-Thompson provided recommendations which will be incorporated in final reports manual to be issued in September.
- Provided copy of recommendations for MoMP gas supply options for proposed Totimaidan production sharing contract to DG Jalil Jumriany, Afghan Petroleum Authority, and MoMP for review.
- Completed draft reporting manuals for the On-site Field Representatives.

1.2 Meetings

- 7 Aug 13, Attended Three Party Meeting with Weis Sherdel, MoMP Project Manager; J. Jordy, J. Stich, USAID, Stephen Wheeler, U. S. Embassy; regarding project status, and staffing.
- 8 Aug 13, Met with USAID; Roseanne Casey, J. Jordy, J. Stich, Michael Boyd, S. Wheeler (Embassy); regarding potential effects of Totimaidan PSA tender. Followed by conference call with Bill Pegeus, OPIC, re: Totimaidan tender.

1.3 Challenges

- None.

1.4 Plans for Next Month

- Legal & Regulatory Director is on leave until 8 September.

2 ENERGY AND POWER WORKSTREAM (DABS and MEW)

2.1 Achievements / Activities

- Studied the International Success School from Luxembourg (ISS) as a possible capacity building provider for MEW and DABS. ISS specializes in e-learning courses.
- Finished recommendations for the presentation that DABS CEO, Mr. Abdul Razique Samadi, will present in Islamabad September 3rd, entitled: “Afghanistan as Energy Importer and Producer.”
- Continued negotiations with Siemens regarding capacity building and transmission analysis to optimize the interconnection to Afghan grid of the Sheberghan 200 MW power plant.
- Prepared Afghan’s map showing potential hydro power plant locations, capacity and estimated investment costs.
- Facilitated Khwaja Masood’s appointment as the SPMT Director by drafting the position’s job description and meeting with CEO Samadi.

2.2 Meetings

- 03 and 05 Aug 2013, Met with DABS COO, Eng. Nasser Shekeeb, to update on the status of Sheberghan Gas Development Project (SGDP), and the capacity building plan for DABS.
- 04 and 06 Aug 2013, Met with DABS Kabul Electricity Directorate Head, Engineer Wakil Nasery to discuss on the candidates suitable for DABS SPMT Director.
- 06 Aug 2013, Met with DABS CEO, Mr. Abdul Razique Samadi to brief him on the status of SGDP, the objectives of DABS's SPMT, SGGA's capacity building plan for DABS, and to request the appointment of the SPMT Director.
- 06 Aug 2013, Met with DABS CCO, Mr. Mirwais Alami, to brief him on SGGA's capacity building plan for DABS and the status of SGDP.
- 07 Aug 2013, Met with ADB Energy Specialist, Rafael Nadyrshin to coordinate SGGA's activities with ADB's current and planned projects.
- 12 Aug 2013, Met with the Head of Corporate Planning for DABS, Khwaja Masood to discuss the presentation's structure that Mr. Samadi will give in Pakistan.
- 12 Aug 2013, Conference call with Siemens to clarify some points on their proposal.
- 14 Aug 2013, Met with Tetra Tech's COP and his team to discuss SGGA's and Tetra Tech's respective projects.
- 15 Aug 2013, Met with International Success School's representative to evaluate whether their e-learning program could be useful for SGGA.
- 16 Aug 2013, Met with the Head of Corporate Planning for DABS, Khwaja Masood, to discuss the presentation that Mr. Samadi will give in Pakistan.
- 25 - 28 Aug 2013, Met with the Head of Corporate Planning for DABS, Khwaja Masood, to discuss the presentation that Mr. Samadi will give in Pakistan and Afghanistan's energy policy to attract private investors.
- 25, 28 Aug 2013, Met with DABS CEO, Mr. Abdul Razique Samadi to go over the presentation he will make in Islamabad.

2.3 Challenges

- Siemens has concerns about security issues in Afghanistan and as a result has delayed delivery of the second part of its proposal.

2.4 Plans for Next Month

- Meet with the head of DABS's Planning and Engineering Department, Eng. Nangilai Miakhail to discuss protection equipment in the Sheberghan Electrical Island's substation.
- Contact training institutes for DABS and MEW capacity building.
- Prepare presentation to address status and plans for capacity building and assessment cooperation between SGGA to DABS.
- Assist DABS with preparing Mr. Samadi's presentation to be delivered **Kazakhstan** on September 10th to 12th regarding Afghanistan Energy Policy.
- Continue negotiations with Siemens regarding its technical proposal to conduct a Northern Provinces Power System Study and provide capacity building for MEW and DABS.

3 CAPACITY BUILDING (DABS & MOMP, ECONOMICS, TRAINING)

3.1 Achievements / Activities

- Working to finalize the On-sight Field Representatives (OFRs) trainees list.
- Obtained subcontract proposals from technical training companies and individuals for OFR training.

- Verified qualifications and checked references to facilitate selection of the best option to deliver the OFR and other trainings.
- Developed more detailed capacity building plans for MoMP, MEW & DABS.
- Developed plans and processes, such as assessment surveys, for capacity building in office management and procurement for the Sheberghan Project Implementation Team.

3.2 Meetings

- 4 Aug 13, Met with World Bank and ADB representatives to explore cooperating and coordinating capacity building efforts.
- 11 Aug 13, Met with TFBSO representatives to explore cooperating and coordinating capacity building efforts.
- 24 Aug 13, Met with Melinda Woywood and Sanja Omanovic from USAID, in addition to Nanette Nelson and Hamayoon Amanzai from Tetra Tech's AESP for video-taping of training programs to coordinate a Task Order whereby Tetra Tech can use its video documentary capabilities to capture SGGA's technical trainings for MoMP.
- 25 August 13, Met with the World Bank regarding capacity building for the natural gas business in Afghanistan.

3.3 Challenges

- USAID initially rejected plan for cooperation between SGGA and AESP. SGGA will be happy to re-define scope of needs to comply with AESP's resource limitations.
- Petro Skills, SGGA's first choice for OFR training, were not responsive to SGGA's contracting requests in a timely and reasonable manner. Shift to contingency plan implementation with other training providers.

3.4 Plans for Next Month

- Continue finalizing OFR training provider and lining up the contracting process.

4 RISK MANAGEMENT AND TRANSACTION ADVISOR WORKSTREAM

4.1 Achievements /Activities

- Prepared agendas for meetings with Weis Sherdel, World Bank, and ADB.
- Sought and received approval to share certain SGGA deliverables with the World Bank, TFBSO and ADB to reduce/eliminate the risk of conflicting results from the work of their employees, contractors and consultants.
- Sent the Gas to Power Economic model to Jalil Jumriany.
- Conducted a review of an internal legal matter.
- Updated the Gantt chart for the SGDP and forwarded a copy to USAID.

4.2 Meetings

- 3 Aug 13, Met with Weis Sherdel to review the Gas Market Feasibility Study and its implications for developing the gas market in Afghanistan.
- 4 Aug 13, Met with World Bank and ADB representatives to explore AGE corporatization and commercialization efforts as well as gas market development work. Discussed cooperation and coordination to avoid conflicting positions.
- 25 August 13, Met with the World Bank regarding natural gas development business interest with MoMP.

4.3 Challenges

- ADB, TFBSO, and World Bank appear to have been working in isolation from SGDP on matters related to AGE corporatization and commercialization as well as gas market development work. This creates the potential of developing conflicting views and confusion at MoMP that could potentially delay or jeopardize the realization of the SGDP goals.

4.4 Plans for Next Month

- Continue review of internal legal matter.
- Work towards integrating of donors for AGE and SGDP scope and capacity building.

5 PROCUREMENT WORKSTREAM

5.1 Achievements / Activities

- Prepared a tender status chart for team to use in aligning training and future milestones with award of drilling contract.
- Researched Afghan regulations and developed two procurement training courses for translation in order to have training materials ready once MoMP's Weis Sherdel completes assignment of his implementation team.
- Completed petroleum engineering services proposal evaluation training materials, checklist, and score sheet; forwarded to MoMP Proposal Evaluation Committee.
- Issued tender amendment through ARDS for the petroleum engineering services requirement; relaxed security requirements and extended proposal period one week, based upon comments from industry.
- Completed first of nine procurement training presentations for MoMP's new Sheberghan Project Implementation Team; also provided input to a procurement survey to be used in assessing the team's procurement knowledge.
- Completed assimilation of an ARDS proposal evaluation report template into an updated SGDP document ready for use in documenting the petroleum engineering services bid evaluation results.
- Completed training of MoMP Proposal Evaluation Committee; processed surveys and attendance sheets for capturing event as official capacity development.
- Completed development of training materials for Contract Administration and Surveillance, the third of nine courses for training future MoMP counterparts.
- Completed proposal opening at ARDS, though only one proposal was prepared.
- Developed Continuance Justification Letter for MoMP Minister to sign requesting permission of the Special Procurement Commission to proceed with evaluations in the face of only one proposal received from the tender.
- On 20 Aug 13, issued Amendment # 2 to MoMP tender 1655, Petroleum Engineering Consultancy Services, in response to questions from industry; also issued answers to industry questions at the same time.
- Completed two future training slideshows: Intro to Afghan Procurement and Afghan Tendering Procedures; submitted to the translation team for conversion to Dari.

5.2 Meetings

- 3 Aug 13, Met with USAID for weekly meeting and caught them up the previous week's meetings with TFBSO discussing MoMP tendering out a gas lease block which includes Juma/Bashikurd gas field.

- 7 Aug 13, Attended monthly 3-party meeting between USAID-SGGA-MoMP. Provided latest status on drilling and petroleum engineering services tender.
- 7 Aug 13, Attended meeting at USAID which included a conference call with OPIC where we provided our conceptual concurrence with the MoMP/TFBSO gas lease block including Juma/Bashikurd gas field to have 3 options to ensure gas supply to the IPP.
- 11 Aug 13, Met with TFBSO to discuss their gas processing initiatives in hopes of gleaming cost, capacity, and source information.
- 12 Aug 13, Met with ARDS to review next drilling contract announcement and award steps and check on status of SPC review.
- 14 Aug 13, Met with ARDS to reconstitute lost drilling contract files in preparation for SPC review.
- 17 Aug 13, Met with MoMP Weis Sherdel to provide an update on the Petroleum Engineering Consultancy Services proposal opening schedule and to review checklist and score sheets for sufficiency.
- 21 Aug 13, Met Mr. Enyatullah Momand who is the stand-in as MoMP liaison due to the sudden departure of Mr. Weis Sherdel; we provided an overview of the proposal opening scheduled for 28 Aug 13 and asked him to schedule the committee for training prior to proposal opening.
- 24 Aug 13, Met with four members of the MoMP Proposal Evaluation Committee and provided a half day of training and review of score sheets for the upcoming Petroleum Engineering Services proposal opening.
- 25 Aug 13, Met with MoMP's Enayatullah Momand researching the status of tendering of the various oil and gas basins in northern Afghanistan.
- 28 Aug 13, Attended ARDS proposal opening event for the Petroleum Engineering Services tender.

5.3 Challenges

- Drilling contract is presently at ARDS preparing for SPC review; there's presently uncertainty on the timing and eventual results of the SPC review.
- Continuing to interface with one of the shortlisted petroleum engineering services companies who continues to attempt to drive requirement changes.
- Continued uncertainty about which MoMP counterparts will support SGGA in coordinating SGDP activities.
- Uncertainty in when drilling contract will be approved, which is presently at the Afghan Special Procurement Commission for review.
- The loss of our seventh MoMP liaison, Mr. Weis Sherdel who departed the Ministry on 21 Aug 13, will negatively impact our schedule due to his access to the Minister and being nearly fully trained on SGDP. We have switched to Mr. Enyatullah Momand, but he is brand new to the project and requires a 100% orientation, plus we are uncertain if he will be assigned the role long-term.
- MoMP needs to confirm four appointments of SGDP individuals from MoMP for full time work.
- Based on MoMP's 3 & 4 new appointees' lack of experienced contract, administrative and project management skills, SGGA is seeking a contract specialist to perform On-the job training for next 16 months.

5.4 Plans for Next Month

- Coordinate through MoMP approval of a letter to the Special Procurement Commission to request their approval to proceed with evaluation and negotiations, even though only one proposal was received.

- Possibly, begin proposal evaluation, depending upon prompt approval of the Special Procurement Commission.
- Continue to develop procurement training course work for proposed SPIT team.
- Look for Contracts Specialist to support and train SPIT team.

6 SECURITY

6.1 Personnel

- Peet Snyman (TCN) deployed to Sheberghan on August 15, 2013.
- A team from Kabul representing Security, Logistics and ICT visited Sheberghan from August 27 to August 29, 2013 to assist in applicable procedural and administrative training.

6.2 APPF

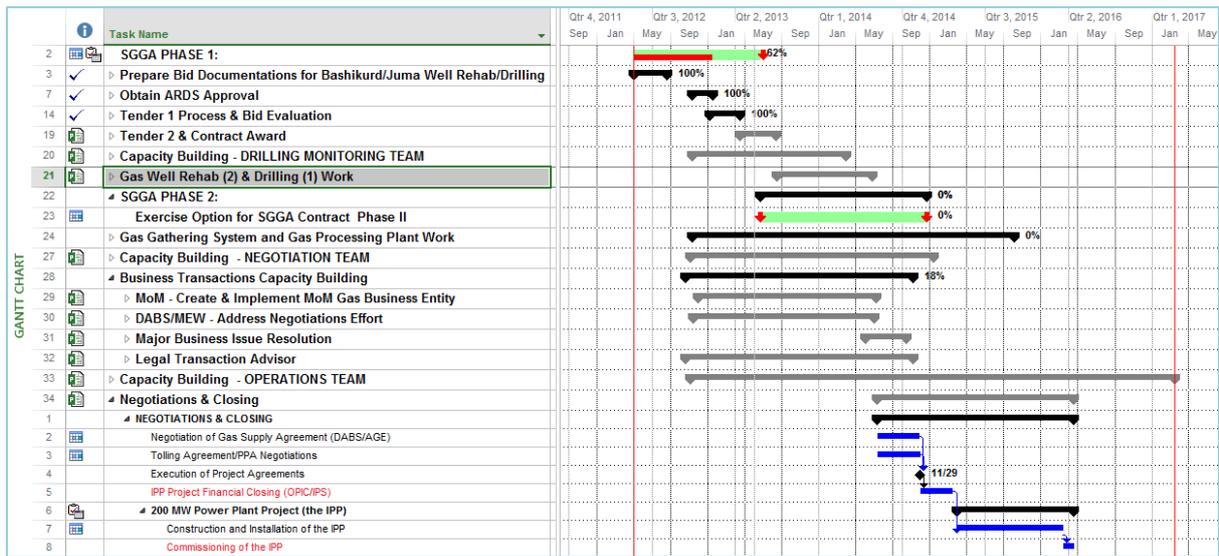
- New contract is being negotiated with APPF to recruit and deploy the remainder of APPF security personnel required for static security positions in Sheberghan.

7 Facilities

- Office and residence in Sheberghan City is completing fit out and continued training of newly hired employees.

8 PROJECT SCHEDULE AS OF JUNE 4, 2013

Note: Revised on June 4, 2013



The next significant revision of the Gantt chart for the project schedule is anticipated after the award of the well rehabilitation and drilling contract. Efforts are under way to prepare a baseline and actual progress comparison based on the timing of the contract award.

9 PMP Data

SGGA Performance Monitoring Plan Indicators			
Milestones			
Capacity Building - MoMP, DABS, MEW	Prior	Current	
Capacity Assessments	1	1	
Training Courses	8	0	
Evaluations	0	0	
Tenders	Prior	Current	
1. Advertising	3	4	
2. Award	0	0	
3. Mobilization	0	0	
4. Activity work	0	0	
5. Completion	0	0	
Indicators			
Capacity Building - MoMP, DABS, MEW	Prior M/F	Current M/F	Indicator Code
# of Assessed people	200/10	4/0	I1/I2
# of Afghan prof. trained – "F" indicator	93/37	4/0	I3/I4
# of Afghan prof. evaluated	0	0/0	I5/I6
<i>M = Male F = Female</i>			
Tenders	Prior	Current	
# of Rehab. & Drilled Wells	0	0	I7
# of Gas Plants constructed	0	0	I8
Prof. Engineers for Drilling hired	0	0	I9
Prof. Engineer Proc. Plant hired	0	0	I10