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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 |
| AGS | Afghan Geological Survey |
| AISA | Afghan Investment Support Agency |
| APPF | Afghan Public Protection Force |
| ARDS | Afghanistan Reconstruction and Development Services |
| CEO | Chief Executive Officer |
| COR | Contracting Officers Representative |
| DABS | Da Afghanistan Brishna Sherkat |
| DVD | Digital Versatile Disk |
| HR | Human Resource |
| Ltd | Limited |
| M/F | Male/Female |
| MEW | Ministry of Energy and Water |
| MoMP | Ministry of Mines and Petroleum |
| MW | Megawatt |
| NPTI | National Power Training Institute |
| NEPA | National Environmental Protection Agency |
| OFR | On-sight Field Representative |
| PMO | Project Management Office |
| PMP | Performance Monitoring Plan |
| PTI | Power Technologies Inc. |
| RRB | Regional Rest Break |
| SAARC | South Asian Association for Regional Cooperation |
| SGDP | Sheberghan Gas Development Project |
| SGGA | Sheberghan Gas Generation Activity |
| SPC | Special Procurement Commission |
| TFBSO | Task Force for Business and Stability Operations |
| TPAO | Türkiye Petrolleri Anonim Ortaklığı (Turkish Petroleum) |
| USAID | United States Agency for International Development |

1 GAS WORKSTREAM (MOMP LIAISON, DRILLING, ENVIRONMENTAL)

1.1 Achievements / Activities

- The Afghan Special Procurement Commission (SPC) approved the award of the Juma-Bashikurd drilling/re-entry contract to TPAO (Turkish National Petroleum Corporation) on 17 September. Minister Shahrani personally appeared before the Commission to urge approval. SGGA prepared briefing materials for the Minister.
- Prepared estimated timeline for signing of TPAO contract; distributed to USAID and MoMP for information and event planning.
- Provided summary of pending matters related to TPAO drilling/re-entry contract to MoMP project staff Enayatullah Momand and Zabiullah Sarwari.
- Confirmed delivery of Special Procurement Commission approval of TPAO/MoMP contract and publication schedule with ARDS.
- Received a copy of comments and questions from Afghanistan's National Environmental Protection Agency (NEPA) regarding MoMP's application for certificate of environmental compliance for Juma-Bashikurd operations.

1.2 Meetings

- 14 Sep 13, Met with USAID on project status.
- 15 Sep 13, Met with Jalil Jumriany, Director-General, Afghan Petroleum Authority, regarding identification of trainees for drilling/re-entry operations oversight and preparation of briefing materials for Minister Shahrani's SPC appearance.
- 22-24 Sep 13, Shaista Labib and Naihmatullah Kohsar met with MoMP project staff to discuss prerequisites for execution of TPAO/MoMP contract and status of petroleum -engineering services tender.

1.3 Challenges

- Arranging Sheberghan Working Group video-teleconference has been complicated by Afghan Petroleum Authority Director-General Jalil Jumriany's business travel schedule.

1.4 Plans for Next Month

- Translate and review NEPA comments; provide recommended responses to MoMP.
- Update and submit MoMP/TPAO contract closing requirements memorandum to MoMP project staff.
- Attempt to conclude arrangements for Sheberghan Working Group video-teleconference.
- Work with MoMP project staff to complete petroleum engineering services contract requirements.

2 ENERGY AND POWER WORKSTREAM (DABS and MEW)

2.1 Achievements / Activities

- Provided recommendations for first draft presentation that DABS CEO, Mr. Abdul Razique Samadi, presented in Almaty, Kazakhstan on September 11th, entitled: "Afghanistan Strategies on Renewable Energy." The speech was part of Central Asia Regional Economic Cooperation's 16th Energy Sector Coordinating Committee Meeting.

- Prepared a presentation to address status and plans for capacity building and assessment cooperation between SGGA and DABS.
- Continued negotiations with Siemens regarding capacity building and transmission analysis to optimize the interconnection to Afghan grid of the Sheberghan 200 MW power plant.
- Contacted the National Power Training Institute (NPTI) regarding DABS and MEW capacity building work.
- Reviewed Siemens PTI course catalogue to evaluate if the contents could be adapted to SGGA's capacity building program for DABS. SGGA intends to use Siemens as a back-up provider if it is not able to reach a training agreement with the Indian or Pakistani training institutes.
- Collected and analyzed the billing and imported energy data for the Northwest provinces for SGGA's power survey.
- Assisted DABS in preparing a presentation for Mr. Abdul Razique Samadi, DABS CEO, for the "SAARC Seminar on Role of Private Sector in Regional Power Trade." The event took place in New Delhi 26-27 September.

2.2 Meetings

- 14 and 18 Sep 13, Met with the Head of Corporate Planning for DABS, Khwaja Masood, to discuss northwest regional power data, transmission losses, and Mr. Samadi's presentation at the SAARC seminar regarding South Asia countries, see next item.
- 21 Sep 13, Met with DABS CEO, Mr. Abdul Razique Samadi, to assist private power aspect in Sheberghan with his scheduled presentation in New Delhi for "SAARC Seminar on Role of Private Sector in Regional Power Trade" to be held between the 26-27 September 2013.
- 23–24 Sep 13, lengthily telephone calls with Siemens to clarify the topics their proposal for capacity building and transmission analysis for the interconnection to Afghan grid of the Sheberghan 200 MW power plant.

2.3 Challenges

- Experiencing delays in Siemens submitting the second portion of its technical proposal providing Engineering personnel from Pakistan to come to Sheberghan area for work: more specific scope definition needed from DABS substations equipment.
- Resolving disparities between data collected between Breshna Mazar, which SGGA reviewed there and the data on record at DABS headquarters in Kabul: such as differences in number of customers, amount of revenue collected and billing.

2.4 Plans for Next Month

- Establish contact with the National Power Training Institute (NPTI) for DABS and MEW capacity building.
- Meet with DABS's protection department to find information regarding the protection system at the substations in northwest provinces.
- Meet with Khwaja Masood to clarify disparities between data collected from Breshna Mazar and DABS headquarters.

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

3.1 Achievements / Activities

- Finalized the On-sight Field Representatives (OFRs) trainees list.
- Worked to establish subcontract terms from technical training companies and individuals, verify qualifications, and select the best option to deliver the OFR and other training.

- Following-up on the AISA license arrangements for vetting of the technical training companies.
- Developed more detailed capacity building plans and implementation schedule for MoMP, MEW & DABS.
- Developed assessment surveys for Sheberghan Project Implementation Team that will inform needs for training materials.
- Coordinated with Peter Stuart-Thompson, Petroleum Advisor to Minister Shahrani, regarding MoMP's capacity building ideas and our approach.
- Began translating gas drilling terms from English to Dari, which will aid in translating the OFR course materials.
- Continued to try to define the AISA license or exemption arrangements for vetting of the technical training company.

3.2 Meetings

- 3 & 4 September 13, Met with Peter Stuart-Thompson, Petroleum Advisor to the Minister, regarding their capacity building ideas and our approach.
- 14 Sep 13, Met with USAID to discuss capacity building status.
- 15 Sep 13, Met with Jalil Jumriany, Director-General, Afghan Petroleum Authority, to discuss list of trainees for OFR.
- 16 Sep 13, Met with Hamayoon Amanzai of Tetra Tech to discuss plans associated with coordinating USAID's AESP program with SGGA for a pilot program to video- document the OFR Training.
- 23 Sep 13, Telephone call with Dr. Salah, CEO, Resmodtec Ltd., to discuss need to collaborate on business registration required by AISA.

3.3 Challenges

- It is unclear whether AISA requires a company to obtain a registration for only a short-term training in Afghanistan. SGGA is coordinating with MoMP to ask formally AISA whether registration is required in this case.
- Timely schedule coordination for On-site Field Representative training with following issues: USAID vetting of trainer, AISA License not required, location (Sheberghan, site access, regional training, visa and travel issues), holiday of Eid-ul-Adha, trainers schedule, use of TPOA drilling rig for static instructional viewing, and logistics.

3.4 Plans for Next Month

- Continue negotiating subcontract terms for the technical training company.
- Following-up on the AISA license or exemption arrangements for vetting of the technical training company.
- Develop plans and processes for capacity building in office management and procurement for the Sheberghan Project Implementation Team.
- Continue translating gas terminology and rig-site background information to Dari in preparation for the OFR training.

4 RISK MANAGEMENT AND TRANSACTION ADVISOR WORKSTREAM

4.1 Achievements /Activities

- Followed-up on the AISA license renewal needed for vetting of the local legal adviser.

4.2 Meetings

- None.

4.3 Challenges

- The preferred local legal adviser is waiting on documents from the Ministry of Commerce in order to comply with the AISA registration process.

4.4 Plans for Next Month

- Continue following-up on the AISA license renewal needed for vetting of the local legal adviser.

5 PROCUREMENT WORKSTREAM

5.1 Achievements / Activities

- Prepared for proposal evaluations, finalized score sheets, met with major MoMP participants, scheduled committee meeting, and studied elements of the proposal to determine if the company was responsive to the petroleum engineering services tender.
- Researched historical information on the HR Manual condition precedent to determine if any further information could be provided to support approval.
- Prepared Sheberghan Working Group briefing slides.
- Completed future training slideshow: "Open Tendering & Requests for Proposals"; submitted to the translation team for conversion to Dari.
- Prepared briefing notes for Minister Shahrani's appearance at SPC to request waiver of three bidder minimum requirement for engineering services tender.
- Obtained description of Ministry of Finance and MoMP procedures that will be followed for payment of TPAO contract invoices.
- At request of COR, re-sent copies of USAID comments on the human resources manual submitted as part of Implementation Letter No 45-01 conditions precedent to funding.
- Prepared and delivered Juma-Bashikurd well data to Minister Shahrani as he requested.

5.2 Meetings

- 2 Sep 13, Held several meetings at AGS with TFBSO, PMO/Aimaq, Enayat Momand, and Peter Stuart. Learned a lot about the latest status of ADB drilling, TFBSO tendering, and pushed hard for Enayat to move a justification letter to the Minister for signature in order to seek SPC approval on our petroleum engineering services proposal evaluation (only one proposal received).
- 3 Sep 13, Attended remnant of previously planned three party meeting with Ernie and several officials from MoMP. Discussed status of replacing Weis and staffing the SPIT team.
- 4 Sep 13, Met with Peter Stuart and Sufi of MoMP and discussed status of ADB drilling program and made preparations for proposal evaluations on Saturday.
- 14 Sep 13, USAID weekly meeting.
- 15 Sep 13, Met with Jalil Jumriany and Enayat Momand to discuss project status.
- 22 Sep 13, Met with Zabiullah Sarwari and Enayatullah Momand to discuss NEPA application and OFR training.
- 25 Sep 13, Shaista Labib and Naihmatullah Kohsar attended briefing presented by MoMP and Asian Development Bank on progress of ADB-funded re-entry/work-over program in Yatimtaq and Gerquduq Fields being conducted by TPAO for MoMP.

5.3 Challenges

- Approval from the Special Procurement Commission for the drilling contract was delayed; however, Minister Shahrani requested directly to the commission for expedited attention and contract approval was achieved.

- Getting timely MoMP appointments for Sheberghan Project Management Team [Weis Sherdel replacements] to satisfy SGDP needs in adequately managing MoMP's drilling and professional engineers' contracts.
- Scheduling extensive initial contracts/administrative/management training of the foregoing appointees in conjunction with implementation milestones, including contract signings, by MoMP as the first On Budget contracts with USAID.

5.4 Plans for Next Month

- Continue orienting Enayatullah Momand and the MoMP proposal evaluation committee members to help them evaluate the technical part of the proposal for the professional engineering services tender.
- Assist translation team with English translation of NEPA comments on MoMP application for certificate of environment compliance for Juma-Bashikurd operations.
- Provide technical assistance and training for MoMP's appointed SGDP personnel and support Drilling and Professional Engineer tender completion with contract signing.

6 SPMT WORKSTREAM

6.1 Achievements / Activities

- Prepared DVD Bashikurd & Juma gas fields for Minister Shahrani, Mr. Momand and Mr. Sarwari at MoMP.
- Prepared Bashikurd well #3, #9, and Juma well #2 instruction sheets for Minister Shahrani.
- Translated, edited, and finalized training materials for five procurement presentations from English to Dari.

6.2 Meetings

- 25 Sep 13, Met with Engineer Amirzada Khosti, Director of Technical Services for the Afghanistan Petroleum Authority. Confirmed space availability at the Afghan Gas Enterprise and Northern Hydrocarbon Unit guest houses in Sheberghan to host the six trainees coming from Kabul to reside there during the on-site field representative training.
- 25 Sep 13, attended Ministry of Mines presentation on "Petroleum Resource Development Options."

6.3 Challenges

- None.

6.4 Plans for Next Month

- Continue translating procurement trainings and NEPA comments.
- Continue collecting status reports for the Gerquduq Field.
- Translate three letters pertaining to the environmental scoping study.

7 SECURITY

7.1 Sheberghan Guest house

- Signed the APPF contract for Sheberghan Guest House
- Peet Snyman went for a RRB from 21 September to 29 September 2013; during the period Dave Davis worked in Sheberghan office to cover Peet's duties.
- Security Interviewed 12 APPF guards for recruiting to Sheberghan guest House.

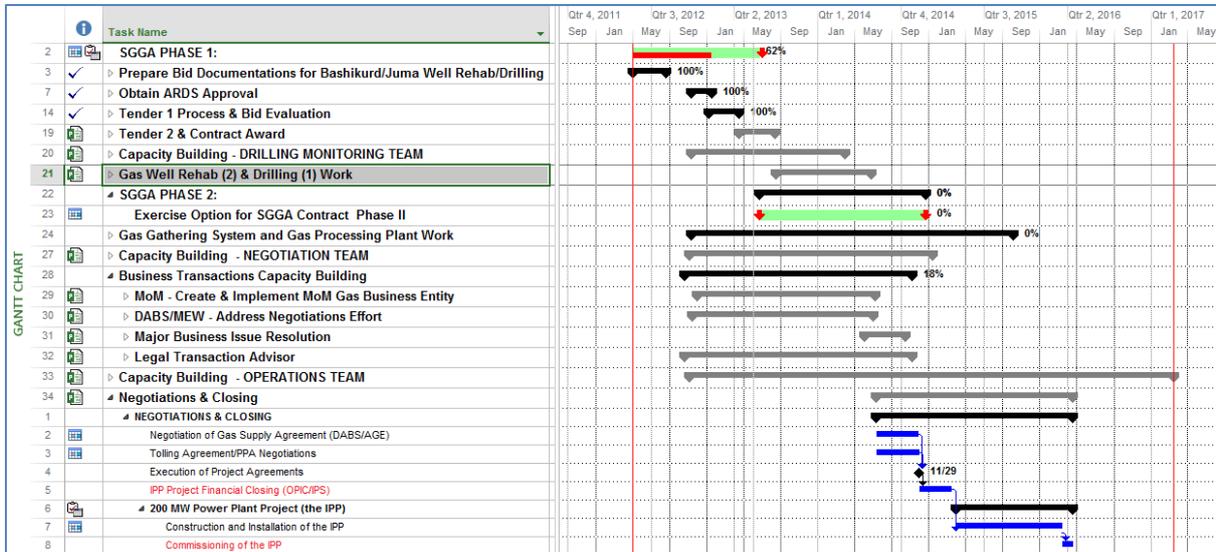
- USAID vetting support unit provide Eligibility Notice for Sheberghan guest house transportation to Tamim Kohestani Rental Services

8 Facilities

- Office and residence in Sheberghan City is completing fit out and continued training of newly hired employees.
- Newly transferred equipment from USAID has been transferred and awaiting on documentation from USAID property office.
- A/C installed in the kitchen.
- Working with procurement to streamline the process for purchasing kitchen food and commodities.
- Working with USAID to obtain generator for the Sheberghan guest house, as initial one needed too much repair resulting in excessive costs.

9 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.

10 PMP Data

| SGGA Performance Monitoring Plan Indicators | | | |
|---|-----------|-------------|----------------|
| Milestones | | | |
| Capacity Building - MoMP, DABS, MEW | Prior | Current | |
| Capacity Assessments | 2 | 0 | |
| 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 |
| M =Male F= Female | | | |
| 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 |