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IRAQ ADMINISTRATIVE REFORM PROJECT

QUARTERLY REPORT OCTOBER 01– DECEMBER 31, 2015

FIRST QUARTER – FY 2016

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IRAQ ADMINISTRATIVE REFORM PROJECT QUARTERLY REPORT OCTOBER 01– DECEMBER 31, 2015

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Iraq Administrative Reform Project



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Table of Contents

ACRONYMS	5
EXECUTIVE SUMMARY	6
I- Rapid Improvements of the Oil Sector Revenues	7
Section One: Progress	7
1.1 Implementation of Critical Projects	7
1.1.1 Provide Technical Assistance to MoO to Implement Technically Challenged and Troubled Export Projects	7
1.1.2 Provide Technical Assistance to MoO to Implement Technically Challenged and Troubled Refinery Projects.....	8
1.2 Improve MoO Procurement Procedures and Processes.....	9
1.2.1 Develop Standard Bidding Documents (SBD) for the Oil Sector	9
1.2.2 Assist MoO in Preparing New Tenders	9
1.2.3 Implement an Effective Procurement System at MoO.....	10
1.3 Improve Projects Execution	11
1.3.1 Provide TA to MoO to Improve Implementation of Ongoing delayed Projects.....	11
1.3.2 Assist MoO to Implement Project Management Urgent Systems.....	12
1.3.3 Assist MoO to Implement the PMP Certificate Program.....	12
1.4 Improve internal policies, regulations and administrative functions.....	12
1.4.1 Enhance Roles, Responsibilities and Lines of Authority	12
1.4.2 Assist MoO to Streamline Internal Regulations and Procedures	13
1.4.3 Assist MoO to Adopt Administrative Reform.....	13
Section Two: Next Quarter	14
Section Three: Work Plan Activities	15
2. IRAQ DEVELOPMENT MANAGEMENT SYSTEM (IDMS)	20
Section One: Progress.....	20
2.1 Support the MoP to Adopt IDMS.....	20
2.1.1 Establishment of the IDMS Help Desk at MoP.....	20
2.1.2 Government Wide Deployment of the IDMS to Eight entities.....	20
2.1.3 Support the Sustainability and Maintenance of the IDMS	20
Section Two: Next Quarter	21
Section One: Progress.....	22
3.1 MoP capacity building.....	22
3.1.1 Development of Public-Private Partnership PPP	22
3.1.3 Development of Public Procurement ToT Program	22
Section Two: Next Quarter	23

Support to MoP's Help Desk.....	23
Section Three: Work Plan Activities	23
Performance Indicators:.....	24
I st Quarter (October - December) FY2016 Charts and Tables	25
Table I: Workshops Participants by Organization.....	25
PROJECT ADMINISTRATION.....	28

ACRONYMS

COMSEC	Council of Ministers' Secretariat
COP	Chief of Party
COR	Contracting Officer's Representative/USAID
DG	Director General
DGGC	Directorate General of Government Contracts
FAQs	Frequently Asked Questions
FY	Fiscal Year
GCPI	General Company for Ports of Iraq
GO	Governor's Office
Gol	Government of Iraq
HQ	Headquarters
IT	Information Technology
IZ	International Zone (See GZ)
KMoLSA	Kurdistan Ministry of Labor and Social Affairs
KRG	Kurdistan Regional Government
MoE	Ministry of Electricity
MoHE	Ministry of Higher Education
MoH	Ministry of Health
MoO	Ministry of Oil
MoP	Ministry of Planning
MoTr	Ministry of Transportation
MSI	Management Systems International
NCMDIT	National Center for Management Development and Information Technology
OPDC	Oil Products Distribution Company
PMP	Project Management Plan
SBDs	Standard Bidding Documents
SCOP	State Company for Oil Projects
SQL	Structured Query Language
SSN	Social Safety Net
TA	Technical Assistance
ToR	Terms of References
ToT	Training of Trainers
USAID	United States Agency for International Development

EXECUTIVE SUMMARY

During this reporting period, USAID-*Tarabot* further developed and integrated its support to the Ministry of Oil (MoO), refining its overall vision and goals with the aim of increasing oil revenues through immediate practical solutions to deficiencies in the oil sector. USAID-*Tarabot* is working closely with senior officials in the Iraqi Oil sector to overcome difficulties in project implementation and contracting by applying project management techniques, and resolving contract disputes.

USAID-*Tarabot* is also assisting selected Ministry of Oil companies in organizational development of their contracts departments, as well as improving procurement planning, archiving, and reporting, implementing standard bidding documents, guiding webpage development, and advocating for the use of dgMarket.

Meanwhile, coordination continues with MoO companies to clarify and improve the roles, responsibilities and lines of authority within MoO. Additionally, outdated, harmful, and contradictory laws, regulations, and instructions are being reviewed with the aim of transferring powers from higher to lower levels of the bureaucracy.

USAID-*Tarabot* continued providing technical support to MoP Help Desk to deliver technical assistance to Gol entities. USAID-*Tarabot* also provides technical support to the MoP on the Public Private Partnerships (PPP) program.

I- Rapid Improvements of the Oil Sector Revenues

Section One: Progress

I.1 Implementation of Critical Projects

I.1.1 Provide Technical Assistance to MoO to Implement Technically Challenged and Troubled Export Projects

This quarter USAID-*Tarabot* continued its technical assistance and coordination with SOC regarding to troubled projects. For a project aimed at reducing the number of days of weather outages \ which is facing difficulties in implementation, *Tarabot* identified and submitted the following actions as solutions to SOC:

- The need to train staff responsible for tugboats operations, docking and loading of oil tankers
- Establishing Wave Reduction Systems: this project is supported by the US consulate since 2005 and is part of establishing a security fence around oil terminals. Experts from Restrata and JICORE Group (global leaders in providing solutions in challenging environments) are to meet with SOC, and present recommendations, SOC has invited USAID-*Tarabot* Oil Sector team to participate in the meetings for consultation.
- Purchasing Floating Dock Systems (Docking Buoys) to help keep tugboats within port boundaries for inspection, instead of docking outside. Therefore, the tugboats will no longer need to exit outside the harbor during rough weather.
- Building six new tugboats: work initiated by USAID-*Tarabot* to develop bidding documents for this project, and training will be provided to engineers and project managers on cost estimation techniques.
- Upgrading the docking and sailing systems: five companies were already invited to bid for this project.
- Purchasing modern telecommunication systems for Basrah oil ports: currently being delivered.
- Purchasing meteorological system for Basrah oil ports.



USAID-Tarabot Advisor during a site visit to Basrah

Following this assistance, USAID-*Tarabot* and SOC officials completed the prequalification document for the design and construction of the tugboats tender and SOC informed *Tarabot* that the announcement memo will be as a public announcement and there will be special invitations for the companies which had previously worked with SOC according to the approval of the deputy minister. The prequalification SBD will be announced in the dgMarket web site by using the limited competitive bidding according to 2014 regulations of the MoP. Meanwhile, USAID-*Tarabot* started preparing the SBDs for the procurement of goods for this tender and to assist them on filling the data sheet for this project. The work will continue into the next quarter, notably filling in the evaluation criteria, technical specifications, and special conditions, of the contract sample.

In the meantime, USAID-*Tarabot*, SOC and GCPI agreed to implement the program of training for the pilots and ports captains on docking, sailing and loading operations. A formal request from SOC staff was delivered to USAID-*Tarabot* to start the training process, USAID-*Tarabot* published an announcement on the U.S. government's Procurement Information Bulletin website to seek an international accredited marine training institution, a university, or a firm that may be interested in

conducting a recertification and rough weather “best practices” training for marine and operations staff of the South Oil Company(SOC) and the General Company for Ports of Iraq (GCPI).

1.1.2 Provide Technical Assistance to MoO to Implement Technically Challenged and Troubled Refinery Projects

Earlier this quarter SOC requested from USAID-*Tarabot* to help them find a solution for the poor quality of river water in Shatt Al-Arab and, based on this request The USAID-*Tarabot* team proposed the following two solutions to fix this problem:

- Short term solution---Rental of water treatment systems
- Long term solution—Improved steam condensate recovery and reuse of crude tower condensed water in the de-salter

These proposed solutions will be reviewed by SRC which will send the feedback to USAID-*Tarabot*.

In the meantime, SRC submitted to USAID-*Tarabot* a diagram of the current and future water and boiler systems. They explained that the salinity of the Shatt Al-Arab has increased because Turkey has built dams reducing the flow to the Persian Gulf, causing the Gulf to backflow into the river during years of dry weather conditions.



USAID-Tarabot Refineries Advisor during a site visit to SRC

SRC team reported that condensate recovery is poor, less than 20%. They also updated USAID-*Tarabot* on the status of the boiler projects. These boilers’ foundations have been installed and only a small amount of work remains to complete the project. SRC asked USAID-*Tarabot* to assist in estimating the cost to finish the project, and in to assist in communicating with Nebraska Boilers.

USAID-*Tarabot* reported to the SRC on its review of the MoO instructions for building a dehydrator to remove water and salt. *Tarabot* advisors explained that this approach will not work because the amount of water in the crude is very low. SRC explained that they would like to receive a full report from USAID-*Tarabot* team about this subject as soon as possible.

Additionally, SRC gave USAID-*Tarabot* information about the problem of the excess salt in crude. USAID-*Tarabot* team obtained data on salt and water measurements in crude, as well as chloride, and iron measurements in water from the tower top.

USAID-*Tarabot* team also discussed the Flare Gas Recovery project with SRC and explained to them that the SRC’s idea was incomplete if they want to recover Liquefied Petroleum Gas (LPG). *Tarabot* and SRC discussed an alternative whereby the recovered liquids are sent to the CDU-1 and CDU-2 for further treatment. *Tarabot* is also working with SRC to find a solution to increase the capacity of the reformer. The reformer is running well now, but is limited to 90% of design capacity due to a pump problem. South Refinery Company has now prepared a tender for the needed spare parts.

This Quarter, MRC authorized USAID-*Tarabot* to start preparing a cost estimate for the Catalytic Reforming Unit. This led to a discussion between the UOP Company and USAID-*Tarabot* regarding UOP’s insistence that *Tarabot* must first sign a Non-disclosure Agreement (NDA) regarding project data.

Additionally, USAID-Tarabot submitted recommendations to MRC regarding the cleaning of the Crude Unit I Heater. This recommendation provides the estimated cost of this process at \$200,000. The implementation of this cleaning will add 13,000 barrels/day to the refinery's production capacity. The value of the increase in production more than covers the cost of the cleaning process in only one day of operation.



USAID-Tarabot Refineries Advisor during a site visit to Dora Refinery

Meanwhile, USAID-Tarabot received from MRC a copy of the SoW for the remaining boiler project. Tarabot's Project Management team will help with the cost estimation. USAID-Tarabot confirmed that an inspection of the boilers and the rotating equipment will be required.

1.2 Improve MoO Procurement Procedures and Processes

1.2.1 Develop Standard Bidding Documents (SBD) for the Oil Sector

The sub-committee to construct a specialized Oil Sector SBD, formed between USAID-Tarabot, the MoP, and the MoO, met and conducted several site visits during this quarter in order to gather and review information. These meetings and site visits were thorough, and based on the oil sector information gathered; the Minister of Planning issued a letter to the MoO suggesting that there is no need to develop a MoO-specific SBD. The MoP-issued SBD was designed specifically to address the needs of various ministries, as well as the contracting processes of the oil sector. This SBD should work smoothly with all oil tenders. USAID-Tarabot and MoP await the MoO's official response to this feedback. In the meantime, Tarabot continues to deliver technical assistance to MoO state companies on using the currently MoP-adopted SBD's for the selected new tenders.



Minister of Planning letter to the MoO Regarding the Oil SBD's

1.2.2 Assist MoO in Preparing New Tenders

As a part of USAID-Tarabot assistance to MoO and its companies, USAID-Tarabot continued supporting the state companies on preparing new tenders for the selected projects using standard bidding documents. The progress was as following:

- **SRC:** USAID-Tarabot during this quarter worked on helping SRC to finalize the SBD's of the selected new tenders. SBD's of the engineering and supply of 32 inch pipe line for crude oil were completed, and Tarabot expects to complete the SBD's of the remaining projects during the next quarter.
- **SOC:** USAID-Tarabot provided technical assistance to SOC on standard prequalification documents issued by the MoP to develop a prequalification document for the SOC's tender to procure six new high specification tugboats. The SBD's were completed and ready for invitation and announcement for the participation of the international companies.

- **SCOP:** USAID-Tarabot worked with SCOP to prepare and finalize the SBD's of the Bin Omar Depot project, Two SBD's related to this project were completed with pre-qualification documents and an engineering, procurement and construction/turnkey contract". With Tarabot's support SCOP staff completed the final SBD's for these tenders, in the process developing new capacities to prepare SBDs future tenders.
- **MRC:** USAID-Tarabot provided technical assistance to MRC on preparing the SBD's for three selected new projects. USAID-Tarabot completed the Arabic version of "Nitrogen Project" SBD's and they are working to finalize the English version of the document to be ready for announcing on dgMarket during the next month. Meanwhile, work continued on finalizing the SBD's of the remaining projects, including the flare gas recovery project.

1.2.3 Implement an Effective Procurement System at MoO

USAID-Tarabot continued its broad procurement reform program with the Ministry of Oil state companies, the State Oil Company, Midland Refinery Company, the State Company for Oil Projects, South Oil Company, Oil Pipeline Company and South Refinery Company. The aim is to complete the agreed-upon public procurement action plan that incorporates a wide range of activities to improve performance.

During this quarter, USAID-Tarabot achieved many results with the selected oil companies regarding to public procurement system:

- **Developing 2016 Procurement Plans:** Two procurement plans for 2016 projects were developed and approved by MRC and OPC. This time-management tool has helped the companies in implementing their strategies by monitoring procurement activities according to their planned timeframes.
- **Applying SBD's to Pilot Project:** Successful application of SBDs for selected new projects:
 - SRC "Engineering And Supply Of 32 Inch Pipe Line For Crude Oil"
 - SOC "Six New High Specification Tugboats"
 - SCOP "Pre-qualification Documents" and "Engineering, Procurement and Construction/Turnkey Contract" for "Bin Omar Depot Project"
 - MRC "Nitrogen Project"
- **Improving Company Webpage:** Upon recommendation of USAID-Tarabot, the contracts section in two state companies, SCOP and OPC, developed their webpages and are operating the new webpages to reflect the requirements for international announcements.
- **Announcing Tenders onto the dgMarket:** After receiving technical guidance on the methods for uploading projects (manually or automatically) onto the dgMarket website, four state companies SOC, MRC, OPC and SCOP have successfully registered as a Buyer on the dgMarket. These companies are able now to inviting global companies in bidding for their tenders.



USAID-Tarabot Procurement Advisors Working to Register SCOP on dgMarket

- **Strengthening Procurement Department Structures:** To comply with MoP structure and staffing for exercising procurement functions, OPC officially approved the proposed procurement department restructuring proposed by *Tarabot*. This came as a result of USAID-*Tarabot*'s on-going technical guidance and encouragement of the Contracts Departments to improve procurement performance in the company.
- **Adopting Standard Procurement Process:** Three state companies, MRC, OPC and SCOP, were approved to adopt an updated standard procurement process. The timeframe for each phase in the standard procurement process was thoroughly reviewed and modified.

1.3 Improve Projects Execution

1.3.1 Provide TA to MoO to Improve Implementation of Ongoing delayed Projects

This quarter, as a part of USAID-*Tarabot*'s support to the state oil companies to improve the implementation of ongoing delayed projects, a set of site visits was conducted to select projects to follow-up on their implementation and to identify problems.

SOC. USAID-*Tarabot* conducted a site visit with SOC officials to Nahr Bin Umar field construction project. During the site visit USAID-*Tarabot* reviewed the documents of the project and the percentage of completion. SOC explained the problems facing the implementation of the project such as:



USAID-Tarabot Project Management Advisor during a site visit to Basrah Projects

- Land ownership dispute. Some residents claim that land belongs to them rather than to the government.
- Procedural problems. SOC staff face difficult administrative procedures that impede implementation.
- Procurement practices. The OC project management team is required to use all Iraqi options before announcing an international tender for processing or setting up any work package in the project. For example, setting up one column took four months while the estimated time was only one week.

SOC agreed to prepare a list of the remaining work with respect to the scope, schedule and tracking tools in order to present it to USAID-*Tarabot* and get the needed technical advice.

Another site visit was conducted by *Tarabot* advisors to “Al Fao Depot-8 Tanks” project implemented by SOC. During this visit *Tarabot* experts discussed the project’s slow progress. It is stalled at 30% completion. *Tarabot* found that the dispute between the contractor and the SOC is pending MoO headquarters’ intervention, as well as delays in contractor payments. *Tarabot* can assist by helping to involve a higher authority at the MoO, such as the minister or a deputy minister, to intervene in this contract dispute. *Tarabot* will also assist to solve other problems plaguing the project, including rescheduling and introducing more effective project management systems.

MRC. This quarter MRC confirmed and approved the cost estimation and implementation approaches for the “Nitrogen 600 NCMPH Unit” which was concluded in a workshop with *Tarabot* early in this quarter. Now the formal approval of the head of the MRC project management opens the door for *Tarabot* to move ahead with the next phase of assistance to this project.

Meanwhile, USAID-*Tarabot* completed the cost estimation for the “De-Waxing” project. The aim of this project is to replace the existing old unit with a new one in order to increase production by 50% and decrease operation costs by 40%. USAID-*Tarabot* and MRC found the “Three-Point Estimating” and “Parametric” techniques to estimate the final cost to be an effective tool.

SCOP. USAID-*Tarabot* visited the Al-Fao Depot project-16 tanks implemented by SCOP in Basrah, and met with the project manager and his team to discuss the progress and obstacles facing project execution. Obstacles include lack of funding lack of precision machining cables and other field devices, and the lack of authority of the project manager to make quick decisions to solve issues. The participants agreed to develop an action plan to resolve obstacles and to work with SCOP headquarters in Baghdad.

1.3.2 Assist MoO to Implement Project Management Urgent Systems

USAID-*Tarabot* this quarter continued its support and capacity building for the selected state oil companies to improve their implementation of ongoing delayed projects, as well as to use the Project Management Institute (PMI) recommended systems for all the upcoming projects. *Tarabot* focused this quarter on project scheduling, process mapping, tracking, evaluating, control and utilization of Primavera for planning and scheduling for three oil companies, SCOP, MRC and SRC. *Tarabot* will continue its support and efforts for the selected companies during the next quarter.

1.3.3 Assist MoO to Implement the PMP Certificate Program

This quarter USAID-*Tarabot* in cooperation with MoO worked on the PMP certification preparation program, as a first step toward qualifying MoO staff to take the PMP certification test. 40 out of 60 participants successfully completed the English exam. Beginning next quarter another group of 10 participants will take the same English exam, and USAID-*Tarabot* will start delivering PMI workshops for the PMP exam candidates in order to equip them with the knowledge required to pass.

1.4 Improve internal policies, regulations and administrative functions

1.4.1 Enhance Roles, Responsibilities and Lines of Authority

This quarter, USAID-*Tarabot* with MoO officials continued to revise roles, responsibilities and lines of authorities through delegation and empowering project managers to strengthen their roles in the field. MRC DG officially accepted the list of 16 recommendations, which transfer several powers and authorities, afforded the DG down to lower levels. This will vastly improve operations, as fewer day-to-day operational decisions will need to be brought to the DG, and can be handled by deputies or other lower level managers. USAID-*Tarabot* will continue working with MRC to provide technical assistant regarding these recommendations as they are begun to be implemented.

Meanwhile, USAID-*Tarabot* worked with SCOP to develop a draft list of administrative, financial and technical powers of SCOP which are concentrated at the MoO HQ. As a result of this support a final proposed list was developed and it is now under discussion between *Tarabot* and SCOP. USAID-*Tarabot* submitted an official letter regarding presented an action plan for the package of regulatory reform delegation of authorities with MoO.

Finally, a list of powers was developed and sent by USAID-*Tarabot* to SRC and SOC management for review and approval. This list of powers and authorities, if approved, will reduce the delays and increase production.

I.4.2 Assist MoO to Streamline Internal Regulations and Procedures

During this quarter USAID-*Tarabot* continued assisting MoO and other cooperating entities, including MoF and customs departments, in drafting amendments to customs regulations to expedite clearance procedures. As a result of this assistance two decisions were taken by the Director of the Southern Region Customs to simplify procedures that are within the prerogatives of the Director. The Director of Southern region Customs issued a formal letter on Nov 18, 2015 with two main decisions to simplify the procedures:

- 1- Verify the official documents for materials/goods by phone with headquarters and simplify the procedures for the official directorates to receive the materials/goods.
- 2- Allow government representatives to complete their documents through a specialized separate desk.

Following this issues, USAID-*Tarabot* sent three official letters to General Customs Department, General Tax Department and Iraqi Ports Company. In these letters, USAID-*Tarabot* presented solutions for obstacles mentioned by the MoO officials to achieve a smooth and effective process to save time and increase production. The DG of General Authority for Customs agreed to send official letters requesting that *Tarabot's* recommendations regarding customs and taxes be implemented. *Tarabot* also sent a list of recommendations to the DG of the Iraqi Ports Company. This list is pending review of the DG.

USAID-*Tarabot* worked this quarter with the responsible officials from MoO, MoF, MoTr and MoT on the clearance of goods to simplify procedures in order to find solutions to facilitate the clearing of materials/goods from ports stores to avoid paying extra fees. Solutions were proposed to be reviewed and approved by the Director General of the Iraqi Ports Company. In the meantime, the Ports Company legal consultant agreed with USAID-*Tarabot's* proposal to issue the facilitation letter by the regional customs departments instead of at the Baghdad headquarters in order to reduce the time. It is also agreed to study the feasibility of exempting MoO containers from custom duties and to establish a special window to accelerate the process for MoO, MOE and Ministry of Foreign Affairs, which have heavy import levels.

I.4.3 Assist MoO to Adopt Administrative Reform

USAID-*Tarabot* continued to guide implementation of the Quality Management System (QMS) for SCOP and continue outlining the plan to qualify SCOP staff for the quality management standard ISO9001:2008. There are four requirements to receive this certification:

- 1- Documentation of ability to consistently provide products that meet customer and applicable statutory and regulatory requirements,
- 2- Effective implementation of the system, including processes for continual improvement and assurance of conformity to requirements,
- 3- Ability to pass an audit or check of steps one and two.
- 4- Receipt of the final certification itself.

The QMS documentation (step one of the ISO 9000 process) has been completed, and the QMD policy adopted and published. And an official letter was sent by *Tarabot* to SCOP management to confirm that the documentation process is completed. *Tarabot* working with SCOP to complete the next step (step two in the process of becoming certified), and once this step finish, SCOP can initiate more progressive steps towards soliciting a third party auditor to review the changes(step three) and grant certification (step four). *Tarabot* continues to assist SCOP in the selection of a company to

nominate for the review and auditing step of the certification issuance (step three), and SCOP has started to communication with certification bodies.

Meanwhile, USAID-*Tarabot* started drafting the procedures for “Determining Oil Pipe Direction”. And the draft for these procedures was sent by *Tarabot* to OPC for review and approval. Later this quarter USAID-*Tarabot* was informed by OPC that the Safety & Firefighting department approved using the Visio diagram for the two approved procedures, titled “Regular Maintenance of Mobil Firefighting Devices” and “Maintenance of Fixed Firefighting Devices”. Later, USAID-*Tarabot* delivered the final draft of the Cathodic Protection department procedures along with the Visio diagram. Meanwhile, another final draft and diagram of the Safety and Fire-fighting department was submitted to the team leader of the Procedures Development team for his as well as team members’ concurrence. USAID-*Tarabot* and the OPC Safety and Fire-fighting department team leader nominated the following procedures:

- 1- Clarification for tanker trucks to enter Doura complex
- 2- Accident inspection
- 3- Regular medical tests for employees

Section Two: Next Quarter

Rapid Improvements of the Oil Sector Revenues:

In the coming quarter, USAID-*Tarabot* will continue to support the ministry of oil and its state companies by completing the SBD’s for the remaining selected projects, and will help them on the announcement of tenders on dgMarket once the ministry allocates a budget. Additionally, USAID-*Tarabot* will continue supporting the MoO state companies on implementing and adopting the full public procurement system according to MoP instruction and directions on the government procurement requirements.

USAID-*Tarabot* will continue to support the MoO and its companies to improve project management systems along with equipping the MoO candidates with full information and preparation for the PMP certification test.

Finally, *Tarabot* will continue reviewing roles, responsibilities and lines of authorities through delegation and empowering project managers to strengthen their roles in the field. *Tarabot* is waiting for the remaining companies to approve the proposed recommendations. *Tarabot* is also working with MoO to move and transfer additional authorities and responsibilities from the ministerial level to the DG level.

Section Three: Work Plan Activities

1st Quarter (October-December 2015) FY 2016 USAID-Tarabot Work Plan Activities

Work Plan ID	Activity/Task Name	Progress
I	Rapid Improvements of the Oil Sector Revenues	
I.1	Implementation of Critical Projects	
I.1.1	Improve MoO capacity in implementation of Technically Challenged and Troubled Export Projects	
A	Expedite commission of Single Point Mooring (SPM #5) in Basrah – Removal of shipwreck.	Pending
B	JICA SEALINE project	Pending
C	Al Fao Terminal pump stations and Oil Depot	Pending
D	Export facilities upkeep –SoC to procure spare hoses, hawsers and other spare parts to maintain their current SPM export levels.	Pending
E	Reduce number of days of weather outages – improve tugboat capacity and pilot (SOC loading operations)	USAID-Tarabot worked this quarter on helping MoO Reduce number of days' weather outages, Tarabot completed the following: 1. Conducted field assessment 2. Rough weather outages assessment report and recommendations was prepared and submitted to SOC and GCPI for approval 3. TRF for pilot and tugboat captains was prepared and posted on USIAD website
I.1.2	Improve MoO capacity in implementation of Technically Challenged and Troubled Refinery Projects	
A	Basrah refinery boiler system	Nebraska Boilers was contacted by USAID-Tarabot and they brought us up to date on the project status from their perspective. They provided information on 3 crates at their facility that require shipment to Basrah. They provided the names of two companies that could complete the project. Tarabot received a copy of the Scope of Work from SRC.
B	Spare parts for SRC reforming unit	The reforming unit is not suffering outages at this time due to lack of spare parts. The previous issue of 50% downtime was related to project commissioning.
C	Isomerization unit – SRC	SRC Isomerization unit is progressing slowly and Tarabot has been asked to review the schedule for the remaining work. The catalyst order was placed with the UOP company, although some contract issues remain to be resolved.
D	Heavy boiler system – MRC	Tarabot provided a letter to MRC to send to Greens Power, requesting progress reports, a detailed schedule, and an Inspection Test Plan with dates. This letter was sent by MRC to Greens Power.
E	Catalytic reforming unit - MRC	The original project cost was \$80 million. MRC received a quote for completing engineering and procurement for an additional \$150 million. Due to confidentiality concerns on the part of UOP, Tarabot cannot assist directly on the cost estimate, but Tarabot will conduct a recommended a cost estimation workshop, which is scheduled for January, 2016.
I.1.3	Assist MoO in Implementation of Improved Monitoring of Oil Products Distribution	
A	Work with MoO and Oil Products Distribution Company (OPDC) to	No status available

Work Plan ID	Activity/Task Name	Progress
	complete procurement of a GPRS-based fleet management system.	
1.2	Improve MoO Procurement Procedures and Processes	
1.2.1	Develop Standard Bidding Documents (SBD) for the Oil Sector	
A	Carry out a wide range of consultation with the stakeholders including IOCs and vendors as well as USG assistance programs such as CLDP and others for their inputs into the documents.	USAID-Tarabot in cooperation with MoP-DGGC completed a site visits to 5 state oil companies (SCOP, MRC, OPC, SOC and SRC) to collect their comments regarding to Oil SBD. The MOP determined that the existing SBD's cover all oil sector requirements and there is no need to issue special documents for the oil sector. Tarabot is urging MoO to use and adopt MoP SBDs on their future tenders.
1.2.2	Assist 5 MoO Entities in Preparing New Tenders	
A	Scope of work and technical proposal	SoWs prepared by project management teams and refinery experts for selected projects.
B	Bidding documents	Tarabot Completed with four state oil companies SOC, SRC, MRC and SCOP the SBD's for their new tenders. Three of these companies have announced their new tenders on dgMarket.
1.2.3	Adopt and implement an Effective Procurement System at 5 MoO	
A	Provide technical assistance and coaching in partnership with MoO.	<ul style="list-style-type: none"> - Tarabot helped four Companies (SOC, MRC, OPC and SCOP) to subscribe on dgMarket as a buyer, and these companies have published their tenders as well. - Tarabot revised the OPC and SCOP web page and recommended to them to make some changes regarding to the contract part, OPC and SCOP was developed their web pages and operate a new pages regarding to Tarabot recommendations. - Tarabot helped OPC to develop its contract department structure according to MoP instructions and OPC approved the new structure. - MRC adopted its 2016 procurement plan in addition to the adoption of the standard procurement process. - SOC issued an official letter authorizing the Tarabot public procurement action plan to start the implementation of the training activities. - Tarabot delivered technical assistance to OPC to adopt 2016 procurement plan - With Tarabot's technical assistance, SCOP adopted standard procurement process.
1.3	Improve Projects Execution	
1.3.1	Assist MoO in Improving Implementation of 10 Ongoing delayed Projects	

Work Plan ID	Activity/Task Name	Progress
A	Provide technical assistance in the field during implementation of action plans for 5 projects (including Nahr Bin Omar and MRC Nitrogen Production projects)	<p>1- <i>Tarabot</i> conducted a site visit to “Nahr Bin Omar field” on Dec 1, 2015, according to this visit <i>Tarabot</i>:</p> <ul style="list-style-type: none"> - Worked with SOC to activate the powers of the Resident Engineer guide. - Provided technical assistance in project management tools and techniques. - Reduced administrative procedures which constitute a major obstacle because the project is direct implementation by SOC <p>2- <i>Tarabot</i> conduct a site visit to “Nitrogen production unit civil works” on Nov 11, 2015. During this visit <i>Tarabot</i> received approval from the MRC DG to move financial and technical powers to the project team. At the same time, <i>Tarabot</i> is working to improve cost and time management by using project management tools, especially Primavera, for scheduling and time management and cash flow management.</p> <p>3- <i>Tarabot</i> conducted a site visit to the Liquid Gas unit project on Nov 29, 2015. During this visit SRC approved moving administrative authority to the project manager. Also SRC gave the project manager financial and technical powers in order to speed up project work. <i>Tarabot</i> will work with SRC to appoint the project managers in the early stage as a lesson learned. In the main time, <i>Tarabot</i> requests a list of the remaining work in the project in order to provide the suitable TA. (Project team provided <i>Tarabot</i> with the required list and will provide TA in re-scheduling the remaining work.)</p> <p>4- <i>Tarabot</i> conducted a site visit to Oil products pipeline (Shoeba-Baghdad) pump stations project on Dec 28, 2015. During this visit <i>Tarabot</i> indicated the requirements pertaining to the project management systems, such as the Primavera program in order to better control the schedule and to plan the remaining work and improve the tracking and reporting systems. <i>Tarabot</i> requested a list of the remaining work in “Shoeba pump station site” in order to provide the suitable TA.</p> <p>5- <i>Tarabot</i> conducted a site visit to “Al-Fao Depot 16 tanks, project” implemented by SCOP. As a result of this visit <i>Tarabot</i> is working to improve time management by using project management tools such as Primavera, for scheduling and improving the tracking and reporting systems. Additionally, <i>Tarabot</i> worked with SCOP to give the project manager administrative, financial and technical powers on the project team.</p> <p>6- <i>Tarabot</i> conducted a site visit to “Al-Fao Depot (8 tanks implemented by Ibn Majid-SOC) project” on Dec 28, 2015. <i>Tarabot</i> is providing TA on scheduling the remaining work. Also <i>Tarabot</i> is improving the tracking and reporting systems. <i>Tarabot</i> is also helping SOC to move the project management administrative, financial and technical powers to the project team.</p>
1.3.2	Assist 6 MoO Entities (SOC, SRC, MRC, SCOP, OPC, IDC) to Implement Project Management Urgent Systems for Delayed and Ongoing Projects	
A	Train the selected technical staff on cost estimation and scheduling techniques (advanced software) using pilot tenders/projects from the lists provided by the MoO.	<p><i>Tarabot</i> conducted two workshops for SCOP professionals on planning & scheduling by using Primavera P6 for the ongoing delayed projects such as the pilot projects (Al-Fao Depot, Alsaba, and Al-Luhais). The participants defined the project Work Breakdown Structure (WBS), also how they can add activities and add relations as part of the project.</p> <p>USAID-<i>Tarabot</i> conducted cost estimation workshops for five pilot projects using standard techniques.</p> <ol style="list-style-type: none"> 1) New 21 Km crude oil pipeline from Zubair to SRC (SRC) for 11 participants (2 females - 9 males) 2) Nitrogen Unit (MRC) for 3 participants (6 females - 7 males) 3) Oil fuel furnace (SRC) for 8 participants (2 females - 6 males) 4) De-waxing (MRC) for 17 participants (3 females - 14 males) 5) Bin Omar depot (SCOP) for 18 participants (11 females - 7 males)

Work Plan ID	Activity/Task Name	Progress
B	Work with the technical staff to draft a cost estimation reference guide.	In progress. To be completed in the coming quarter
C	Provide mentoring to working group to develop the project implementation tracking process and the “trouble shooting quick guide” (i.e., disputes, arbitration, change order, progress payments and others TBD).	USAID-Tarabot conducted on Dec 14-16, 2015 a process mapping and projects tracking, evaluating and control workshop for 14 participants from MRC (2 females -12 males).
D	Test developed templates and forms on 2 pilot projects.	In process
E	Test the drafted process using 2 pilot projects.	No status available
F	Provide models to conduct feasibility studies for refineries, pipelines and storage facilities.	No status available
I.3.3	Assist MoO to Implement the PMP Certificate Program	
A	Coordinate with the MoO to prepare selection criteria and nominate 50 PMP certification candidates	Criteria for nomination for PMP candidates established with the MoO include passing the TOEFL exam, a college degree in engineering, and 4500 hours of experience in project management. MoO sent a list of 72 candidates to take the English test. As a first group 40 candidates participated in the English test and 33 participants successfully completed the English evaluation test on Dec 27, 2016 and test results issued by an official letter from TOEFL center to MoO. In the coming quarter, a second group will be attending the TOEFL exam.
B	Develop training program and obtain approvals	MoO sent an official letter to Tarabot approving the submitted PMP action plan.
C	Conduct training in project management skill set, PMBOK and sample tests	Tarabot will begin delivering a set of training workshop on the next quarter.
I.4	Improve internal policies, regulations and administrative functions	
I.4.1	Enhance Roles, Responsibilities and Lines of Authorities	
A	Work with MoO officials (formed committees) to revise roles, responsibilities and lines of authorities through delegation and empowering project managers to strengthen their roles in the field.	USAID-Tarabot worked to assist MoO and its state companies to develop lists of powers that should be transferred from high level to low level and to revise roles, responsibilities and lines of authorities through delegation and empowerment of project managers to strengthen their roles in the field through meetings and workshops. MRC approved the list.

Work Plan ID	Activity/Task Name	Progress
1.4.2	Assist MoO to streamline Internal Regulations and Procedures	
A	Assist MoO and other cooperative entities including MoF and customs departments in drafting amendments to customs regulations to expedite clearance procedures.	1. USAID-Tarabot met with public customs commission (PCC) on Nov 11, 2015 to discuss the obstacles of customs' commission and MoO. PCC legal agreed on Tarabot's recommendations to issue the facilitation letter by the regional customs. Also agreed to exempt MoO containers from customs duties and establish a special window for MoO, MoE and Ministry of Foreign affairs who have heavy imports to accelerate the process. 2. On Dec 07, 2015 USAID-Tarabot met with MoO officials to discuss the reasons of delay for issuing security clearances when clearing out sensitive items and dual use good/materials. With Tarabot's guidance, MoO contacted the security agencies and it was agreed that security clearances will be issued for each individual company shipment.
B	Work with cooperative entities including MoF and TBI to draft a simplified L/C process.	3. On Dec 14, USAID- Tarabot issued three official letters to General customs department, General Tax department and Iraqi Ports Company; in these letters Tarabot presented recommendations to solve obstacles mentioned by the MoO officials to achieve a smooth and effective process to save and to increase productions. 3. South region department agreed to adopt the recommendation.
C	Assist MoO to develop efficient oversight, monitoring and inspection process (work with the Ministry Inspector General office and supervisory departments for contracting)	No status available
1.4.3	Assist MoO/SCOP and OPC to Adopt Administrative Reforms	
A	Work with SCOP management to implement ISO 9001 Quality Management System (QMS):	
I	Obtain official commitment from SCOP management to implement the system	1- SCOP DG submitted an official commitment to implement ISO 9001:2008 Quality Management System (QMS). 2- SCOP already has a quality division that includes 6 employees, this division is responsible to establish, document, implement, and maintain the quality management system ISO 9001:2008 inside SCOP.
2	Form ISO task force	3- Tarabot Advisor planned to conduct the specialized awareness workshop in ISO 9001 and 10013 on December 2015 and has prepared the material and logistic required , but the costumer(SCOP) requested verbally to postpone that workshop up to January 17&18 2016.
3	Conduct specialized awareness workshops in ISO 9001 and 10013.	4- Tarabot Advisor Assisted SCOP quality division and the target committees and departments to draft all QMS documentation requirements, the drafted package signed by the heads of these committees and departments, presently ongoing effort to implement the documented QMS inside SCOP .
4	Draft QMS documentation requirements	
B	Work with the OPC task force to review and develop the pipelines maintenance and inspection procedures.	1. First group of 6 standard procedures included 4 maintenance procedures was approved by OPC- DG later on December, 2015 2. Second group of processes was written and reviewed by head departments. Tarabot is waiting for their approval. 3. Work team was established in engineering inspection department to develop the inspection procedures for OPC, the team will start developing the procedure in January 2016.
C	Provide on the job mentoring and coaching in process mapping to the task forces.	A process mapping and procedures workshop was delivered to 25 participants from OPC.
D	Work with the SCOP task force to redesign the EPC project life cycle processes and contract annex process.	Tarabot sent an official letter to SCOP to approve the redesign the EPC project life cycle processes and contract annex process. (waiting their response)

2. IRAQ DEVELOPMENT MANAGEMENT SYSTEM (IDMS)

Section One: Progress

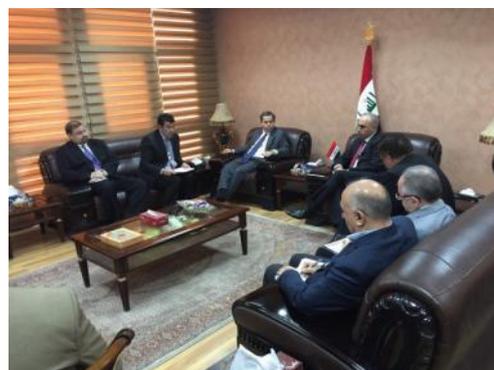
2.1 Support the MoP to Adopt IDMS

2.1.1 Establishment of the IDMS Help Desk at MoP

USAID/*Tarabot* will assist the MoP to establish and roll out the IDMS in support of improving the organization and centralization, and thereby efficiency of government projects. The final establishment of the IDMS helpdesk is awaiting official approval from the MoP for the final version of the system.

This Quarter, the Iraqi Minister of Planning, Dr. Salman Al-Jumaili invited the U.S. Ambassador to Iraq, Mr. Stuart E. Jones, and USAID-*Tarabot* COP, Nael Shabaro to discuss the future launching of the IDMS. Among the present was also Deputy Minister, DGs, and USAID-*Tarabot* representatives.

Dr. Al-Jumaili emphasized the MoP's efforts in expediting the IDMS throughout Iraq, and promoting the system to become the national instrument used by ministries, governorates, and provincial directorates to monitor implementation of projects. The Minister explained the value of an operational IDMS, and described it as laying the foundation for future e-governance in Iraq, promoting transparency, and reducing corruption.



USAID-Tarabot discusses IDMS with MoP Minister in presence of US. Ambassador

US Ambassador, Mr. Jones, described the IDMS as another important addition to the joint cooperation between both countries. He acknowledged the MoP's accomplishments during this period especially with the establishment of the Help Desk. USAID-*Tarabot* COP, Nael Shabaro, highlighted some of the important features of the IDMS, allowing Gol entities to coordinate among themselves, as well as helping the MoP in monitoring the life cycle of the projects, and make adjustments according to the availability of funds.

2.1.2 Government Wide Deployment of the IDMS to Eight entities

USAID-*Tarabot* provided technical assistance to the selected Gol entities on uploading their contracts, including the required details, to the system, also on how to extract reports to verify the data quality. This will help on a quick adoption of the IDMS system inside most of the Gol entities.

2.1.3 Support the Sustainability and Maintenance of the IDMS

USAID-*Tarabot* and MoP worked to finalize the IDMS maintenance contract ToR definitions and to change the contract name from IDMS maintenance contract into IDMS service support, and to update the contract to make it compatible with current Iraqi contracting instructions and regulations.

Meanwhile, the IDMS team worked to arrange for the issuance and delivery of the Terms of Reference for the service contract to the software company Synergy. Additionally, they also worked on the payments for outstanding invoices for past work. The delivery of these two items should allow for Synergy to complete the identified system glitches and issues, in order for the MoP to officially accept and adopt the IDMS before rolling it out government wide

Section Two: Next Quarter

IRAQ DEVELOPMENT MANAGEMENT SYSTEM (IDMS):

The IDMS team is working with the MoP to address outlying issues preventing the final establishment of the IDMS. *Tarabot* will also working to help MoP on the establishing of the IDMS help desk and equip the help desk staff with all the required knowledge of the IDMS information and sectors. Meanwhile, *Tarabot* will continue following up with MoP and Synergy to let them sign the service contract according to the finalized ToR.

3. Support to MoP's Help Desk

Section One: Progress

3.1 MoP capacity building

3.1.1 Development of Public-Private Partnership PPP

During this quarter USAID-*Tarabot* and MoP General Director of DGGC follow up the progress of conducting PPPs workshop. They agreed to conduct this workshop during January, 2016. MoP-DGGC nominated Dr. Mirvat Al-Taie from (Baghdad University) to lecture at the PPP workshop along with USAID-*Tarabot*. Following up on the preparation of the PPP workshop, USAID-*Tarabot* met with Dr. Meervat Al-Taie from Baghdad University to cooperate and coordinate with her about the workshop. In the main time, USAID-*Tarabot* met with MoP officials, to continue discussion of this initiative. The MoP will host with *Tarabot* a kickoff workshop to begin the thinking process of the PPP concepts, discuss the draft PPP law and the different models that the GOI can adopt moving forward. Participants will include government officials. This will be the first in a series of workshops to refine the PPP. Additionally, USAID-*Tarabot* agreed with MoP DGGC to add the PPP workshops into the MoP-DGGC 2016 Training plan.

3.1.3 Development of Public Procurement ToT Program

This quarter the ten selected ToT graduates (6 males, 4 females) attended the expert-level course on public procurement conducted by ILO Training Center in Turin, Italy. The workshop prepares participants to competently plan and execute contract administration functions for the successful delivery of goods and services per international standards and practices of supply chain management, including forecasting procurement requirements, selecting the means and/or transport, insurance arrangements, and receipt and inspection requirements. In the first week sessions covered:

- Definition & Principles of Public Procurement
- Contract law
- Key elements of an request for proposal (RFP)
- Key elements of SBD Small Works
- Key elements SBD Goods



Trainer explaining the public procurement to ToT graduates in Italy

The second week's sessions covered contract and supply chain management, including contract administration functions for successful delivery of goods, works and services in accordance with scope, quality, time, and money.

Meanwhile, USAID-*Tarabot* followed up with the 10 ToT trainers who were recently certified from ILO-Turin, helping them to issue a 2016 Training plan to all of GOI entities. MoP-DGGC will involve all the public procurement ToTs in implementing this training plan. In the main time, *Tarabot* advisors accompany the new expert level trainers as they conduct SBD Workshops at the National Center for Management Development and Information Technology (NCMDIT) for participants representing different ministries.

Section Two: Next Quarter

Support to MoP's Help Desk

In the coming quarter, USAID-Tarabot and MoP General Director of DGGC will conduct the first PPP workshop and prepare for future workshops. Meanwhile, USAID-Tarabot will continue to support the MoP Help Desk in carrying out its functions; as a procurement formation within the ministry Directorate General for Government Contracts (DGGCs) to let them respond positively to procurement inquiries from Gol entities. Additionally, USAID-Tarabot will continue supporting ToT graduates in training other government officials on public procurement, MoP 2014 Regulations for Implementing Government Contracts, and using SBDs. USAID-Tarabot will also follow up graduated ToTs and the implementation of the MoP 2016 Training plan.

Section Three: Work Plan Activities

1st Quarter (October-December 2015) FY 2016 USAID-Tarabot Work Plan Activities

3	Support MoP's Help Desk	
3.1	MoP capacity building	
3.1.1	Development of Public -Private Partnership PPP ToT Program	
A	Development of Public-Private Partnership PPP training curricula	Tarabot in cooperation with MoP-DGGC and Baghdad University developed materials regarding PPP training to be used on the first PPP workshop
B	Conduct basic procurement workshop for the participants in the PPP ToT Program	Tarabot in cooperation with MoP-DGGC and Baghdad university will conduct the first PPP workshop on Jan-2016. The workshop was delayed at the request of the MoP.
C	Conduct advanced workshop for the participants in the PPP ToT Program	Tarabot waiting to complete the basic PPP workshop on Jan, 2016 to schedule and conduct the advanced workshop
3.1.2	Comprehensive Capacity building for MoP and Gol on Claims and Disputes	
A	Deliver two workshops for MoP and interested Gol ministries on the Claims and Disputes, and what Gol team vision, mission, goals, role, and responsibilities as well as International quality standards compliance	Tarabot is still waiting for MoP-DGGC to develop its plan and schedule to conduct these workshops
3.1.3	Development of Public Procurement ToT Program	
A	Send the 11 selected procurement staff to the ILO's International Training Centre in Turin, Italy to receive an expert level final advanced training on international procurement management.	10 ToT for different Gol entities completed the expert level training in Turin in October, 2015. Following graduation ToTs began delivering public procurement workshops to Gol.

Performance Indicators:

1st Quarter (October-December) FY2016 Performance Indicator Table

Sub-IR 3.2: Provincial Resource Management for Service Delivery Strengthened				
Indicator #	Indicator Name	Annual Target FY 2016	Qtr. I FY 2016 (Oct-Dec) 2015	Status
3.2.1	Number of Milestones achieved by Gol that strengthen the delivery of services, revenue generation and promotes transparency. (New Indicator)	3	1	ILO Training for 11 experts
3.2.2	Number of ToT graduates delivering training on public procurement to Gol officials and private contractors. (New Indicator)	10	4	(1) Mustafa Salah Hassan/ Basrah (2) Siham Kadhum Jibur/ MoP (3) Nora Waleed Khalid/ MoP (4) Ahmed Salman Khadium/ Babil
3.2.3	Number of Gol officials trained in standard bidding documents (SBD's) (New Indicator)	85	48	Representing 33 Male and 15 Female from SCOP, MRC and SRC
3.2.4	Number of pilot projects applying standard bidding documents (SBD's) (New Indicator)	10	4	SBDs were developed for pilot projects representing SCOP, MRC, SRC
3.2.5	Number of Gol entities that have improved procurement processes or systems (Old Indicator)	5	3	MoO SCOP and OPC improve the webpages. OPC approved the new procurement department structure. OPC and MRC adopted 2016 procurement plan. MRC and SCOP adopted Standard procurement process SPP.
3.2.10	Number of Gol entities that have applied Project Management practices to their Capital Investment projects. (Old Indicator)	5	1	MRC applied the cost estimation technique on its projects
3.2.11	Number of Gol officials that completed the PMP preparation program. (New Indicator)	45	N/A	The first group finished the English exam on Dec-27-2015 and they will start the PMP preparation workshops with <i>Tarabot</i> during the next quarter
3.2.12	Number of administrative changes issued or adopted (New Indicator)	10	2	MRC approved the new roles, responsibilities and lines from DG to project managers. General customs commission issued new direction for all of its customs directorates regarding to <i>Tarabot</i> recommendations.
3.2.13	Number of Gol entities utilizing the IDMS to manage and monitor their capital portfolio. (Old Indicator)	8	N/A	

Notes:

1. All indicators not represented in the above tables are year-end performance indicators; status will be given in the annual report.
2. The numbers reported are for individuals and not participants.
3. The (New Indicator) is a proposed indicator by USAID-Tarabot and per USAID-Tarabot CoR request are included in this report before submission of the updated PMP for FY2015 and FY2016.

1st Quarter (October - December) FY2016 Charts and Tables**Table I: Workshops Participants by Organization**

Organization	IDMS	Authorities & Regulatory Reform	OD/AD	Public Procurement	Project Management
Diwanyah GO	12	2			
Head Quarter		6			2
Iraqi Drilling Company (IDC)		5			
Mid-land Refinery Company (MRC)		7		37	39
Oil Pipelines Company (OPC)		2	24	19	
Oil Products Distribution Company					1
South Oil Company (SOC)		9		1	
South Refinery Company (SRC)		5		51	19
State Company for Oil Projects (SCOP)		16		31	35
Grand Total	12	52	24	139	96

Figure 1: Activities Distribution by Office

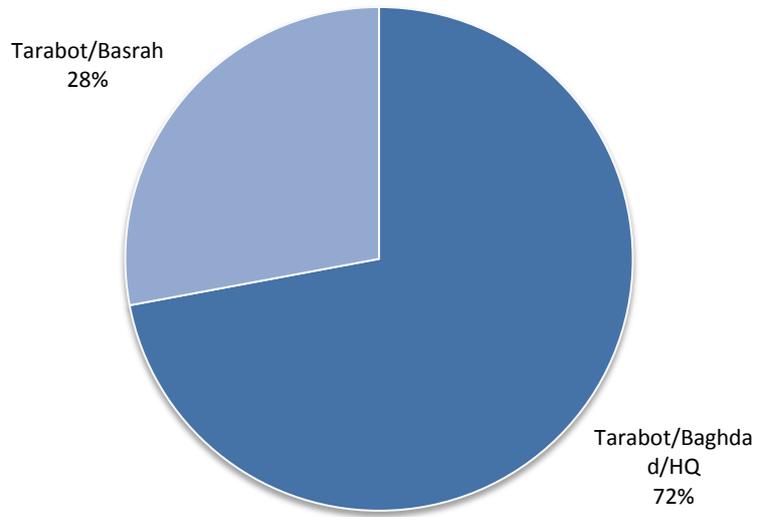


Figure 2: Activities Distribution by Type

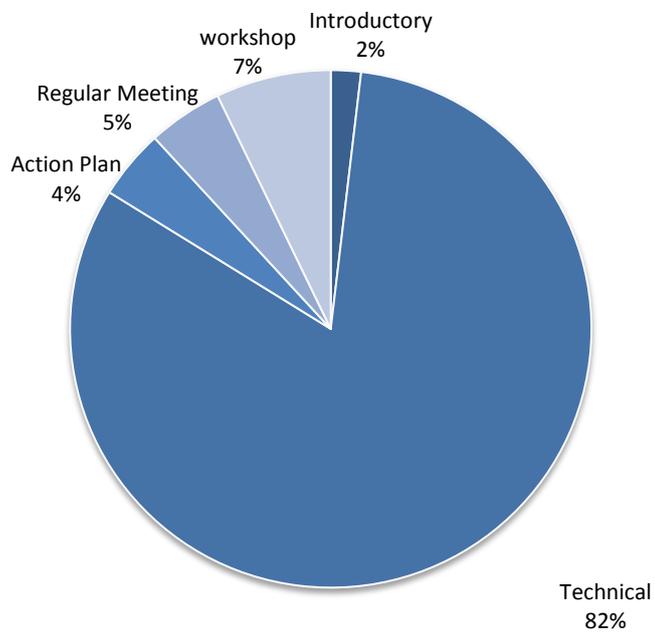
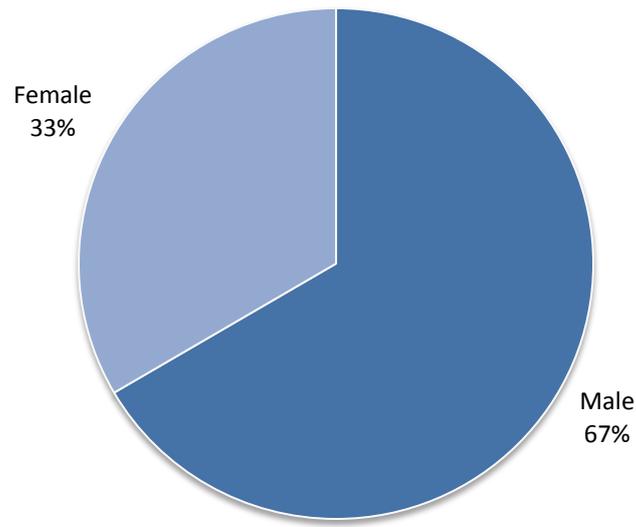


Figure 3: Workshop and Meeting Participants by Gender



PROJECT ADMINISTRATION

Staffing and Deployment

By the end of December 2015, project local staff increased to 59 employees. One short term expatriate advisor concluded his SOW and departed, leaving a total of 7 expatriate staff.

Holidays

During this quarter, USAID-*Tarabot* took several local holidays, including the Islamic new Year, Ashura, Thanksgiving, the Prophet Muhammad's birthday, Christmas, and New Year. USAID-*Tarabot* activities were limited due to the pilgrimage visits over Ashura, and access to nearby roads and neighborhoods was prohibited, and stricter security procedures were applied by Gol. USAID-*Tarabot* staff was instructed to work from home in-case they were unable to reach the *Tarabot* compound.

With the exception of these two situations, USAID-*Tarabot* staff maintained normal working routines with no additional holidays.

Security

During this quarter, the security situation in Iraq remained tense, with ongoing fighting in the north and west of Iraq, and continued explosions and attacks in Baghdad. Iraq forces have reportedly retaken almost 80% of Ramadi, and meanwhile the international coalition continues air strikes through ISIS-held territory. The most significant vent this quarter was a significant uptick in demonstrations in response to Saudi Arabia's execution of prominent Shiite cleric Nimr al-Nimr, citing a violation of the human right to freedom of expression as well as a clear act of aggression against all Shiites. These demonstrations caused significant road closures and increased tension throughout Baghdad and all of Iraq.

Despite this and other occasional incidents in and around Baghdad, USAID-*Tarabot* operations in Baghdad have not been affected.

Visas and Badges

USAID-*Tarabot* continued coordinating with Gol for issuance of visas and badges for *Tarabot* staff. No particular changes noteworthy to both procedures.

Property disposition

One disposition requests submitted to USAID during the previous quarter was approved:

Sallyport have submitted an offer to buy a list of property (residency furniture, office furniture, tanks, kitchen accessories and gym equipment); which has been under their custody since MSI purchased it. One disposition request is still outstanding with USAID:

- I. Sensitive equipment:

- a. List of Motorola radios, GPSs & Thuraya Phones: Sallyport have submitted an offer to buy them. The radios have been under Sallyport's custody since USAID-Tijara Project purchased it, USAID-Tijar transferred these equipment to *Tarabot* when they closed out
- b. List of Vests, Helmets, Motorola radios, GPRS & Thuraya Phone etc...), which has been purchased by MSI. Pending instructions from USAID instructions regarding its disposition

The disposition of 18 armored vehicles

MSI has 18 D class Armored Vehicles. Per US Regulations they are classified and cannot be offered or sold to the Iraqi public and private sector. However, they can be offered to the US government or to a contractor with USG.

Although they are D class vehicles and sensitive/ classified items titled to USAID, MSI and its security provider are obligated to comply with Ministry of Interior (Mol) regulations, since the vehicles are registered by law under the security provider in both Iraqi directorates. Under Iraqi law they must be turned over to the Gol or exported from Iraq; not turned over to another entity within Iraq.

Tarabot is in the process of requesting permission from the Iraqi government to be exempted from Mol regulation. This would allow the destruction of the vehicles locally, or to be donated back to USAID. Since the cost of shipping the vehicles out of country for destruction is prohibitive, an exception from the Gol is the only option. A Dip Note was issued by the Embassy to the Iraqi Ministry of Foreign Affairs (MoFA) requesting this exception. It is worth noting that after the effective date of this report, during January 2016, that the MOFA approved having the vehicles destroyed locally in-country.