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**USAID-TARABOT IRAQ
ADMINISTRATIVE REFORM PROJECT
ANNUAL REPORT 2015**

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ANNUAL REPORT 2015



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ACRONYMS

BIAP	Baghdad International Airport
CCR	Continuous-generation Catalytic Reforming unit
CO	USAID Contracting Officer
COMSEC	Council of Ministers Secretariat
COP	Chief of Party
DG	Director General
DGGC	Directorate General of Government Contracts
FY	Fiscal Year
GO	Governor Office
GoI	Government of Iraq
GPS	Global Positioning System
HQ	Headquarter
IDMS	Iraq Development Management System
IG	Inspector General
INMS	Iraqi National Monitoring System
IT	Information Technology
KMoLSA	Kurdistan Ministry of Labor and Social Affairs
KRG	Kurdistan Regional Government
MoE	Ministry of Electricity
MoFA	Ministry of Foreign Affairs
MoI	Ministry of Interior
MoO	Ministry of Oil
MoP	Ministry of Planning
MRC	Midland Refineries Company
MSI	Management Systems International
NCMDIT	National Center for Management Development and Information Technology
NDP	National Development Plan
OJT	On- Job-Training
OPC	Oil Pipelines Company
PSC	Private Security Company
SBD	Standard Bidding Document
SCOP	State Company for Oil Projects
SOC	South Oil Company
SPM	Single Point Mooring
SRC	South Refineries Company
SSN	Social Safety Net
ToT	Training of Trainers
UNDP	United Nation Development Program
USAID	United States Agency for International Development
USG	United State Government

EXECUTIVE SUMMARY

Iraq Political Crisis - 2015

The time period covered by this Annual Report (October 1, 2014 – September 30, 2015) was one of the most challenging years for Iraq and for the USAID mission to Iraq since the transfer of sovereignty to Iraq in 2004. During the year, Iraq continued to battle with ISIS/ISOL, who maintained control over much of the northern and western parts of Iraq, including, the city of Mosul. Added to the tragedy of civilian casualties and displacement, the loss of water resources, oil facilities, and other critical infrastructure was having a profound effect on the country. International prices for crude oil continued to decline, further depressing the economy and reducing the resources of both the national government and the Kurdish regional government to pay for services, salaries and defense. In many areas, national survival took precedence over development and several key Iraq reform programs, previously supported by USAID, were put on hold.

Iraq's public administration crisis in FY 2015 stems from an acute shortage of resources, with all of the root causes persisting, USAID-*Tarabot* has focused on practical ways to help Iraq to better manage its existing resources and rapidly generate new revenue streams. The USAID-*Tarabot* project, operated in partnership with key Iraqi entities, the Ministry of Planning, the Ministry of Oil, and the Kurdish Regional Government especially, continues to provide an important vehicle for USAID and the US Embassy to maintain and expand their commitment to Iraq in its time of crisis. The USAID-*Tarabot* project is focused on: Increasing oil revenues, improving public procurement, controlling government entitlement program expenses, and providing a modern and strategic tracking and management system for its billions of dollars of essential capital investments.

Four Areas of *Tarabot* Engagement

Increasing Oil Revenues. Like many other oil rich nations, Iraq's government revenue is almost entirely generated by the sales of crude oil on the international market. Petroleum is a famously unstable commodity whose price is the subject of changing variables around the globe. Caught by plunging oil prices and the unexpected costs of pursuing the ISIS war, the government is severely cash poor. Neither the military situation nor the oil price collapse is likely to improve in the immediate future. Iraq needs to tighten its oil sector project management to squeeze new revenues previously ignored when prices were higher. USAID-*Tarabot* has carried out a strategic oil sector assessment to identify opportunities for relatively quickly increasing the government's financial benefits from the sector. USAID, USAID-*Tarabot*, and the Ministry of Oil worked together to identify a list of stalled investment projects in the refining and exporting sub-sectors that could be relatively quickly solved and completed to provide an estimated \$13.4 billion in additional annual revenues. This assistance is currently underway per the approved workplan.

Improving Public Procurement. USAID-*Tarabot* has especially focused on improving Iraq's ability to effectively procure and contract for the services it requires from national and international companies. The primary focus of the procurement is the Ministry of Planning which is responsible for setting the guidelines and promoting the practices to ensure that government entities benefit from effective and honest contracting. *Tarabot* focused its efforts on the Ministry of Planning's government contracting office to establish a national Procurement Help Desk, to develop a cadre of MoP trainers to train procurement professionals in other government entities, utilize the assistance of the Help Desk, and exploit recently developed Standard Bidding Documents. There is an added focus on developing a set of Standard Bidding Documents for the important oil sector.

Controlling Program Expenses. In FY 2015, *Tarabot* returned to assist the Kurdish Regional Government to complete the automation of its social safety net (SSN) program. The experience of the national SSN program was that the new automated system rapidly enabled the government to save huge amounts of money by revealing and cancelling duplicate and otherwise inappropriate beneficiary accounts. Despite the current financial crisis, similar savings through the Kurdistan SSN will help protect the social safety net program, , and benefit large numbers of the KRG's most vulnerable families.

Strategic Management of Major Investments. USAID-*Tarabot* helped the Ministry of Planning to complete its Iraq Development Management System (IDMS) which tracks the progress and performance of ministries' and provinces' capital investment projects. The completion of this system, begun earlier in *Tarabot*, had languished with the MoP just short of being operational. The current budgetary shortage now puts a premium on knowing which investment projects are progressing and which projects are stalled 'money pits'. Close monitoring of the nation's capital investment is more important than ever. The IDMS will now facilitate difficult strategic decisions regarding what programs should go forward and which projects should be held back during these financially tight times.

The USAID-*Tarabot* project, in close cooperation with powerful Government of Iraq partners, under the direction of USAID/Iraq, in concert with the policies of the Embassy, has shown that despite acutely difficult times, targeted short-term interventions can effectively assist the cooperating country and help strengthen relations between the Iraq and the United States.

REPUBLIC OF IRAQ
Ministry of Planning
Minister Office

بِسْمِ اللَّهِ الرَّحْمَنِ الرَّحِيمِ



جمهورية العراق
وزارة التخطيط
مكتب الوزير

No.:

العدد: ٦٦٧/١١/٢٠١٥

Date:

التاريخ: ٢٠١٥/١١/٢

To/ The United States Agency for
International Development

الى/ الوكالة الأمريكية للتنمية الدولية

Sbj./Gratitude and Appreciation

م/شكر وتقدير

The Ministry of planning presents
best compliments ...

وزارة التخطيط تهدي اطيب تحياتها...

I would like to thank USAID Tarabot for partnering with the Ministry of Planning to implement the Public Procurement Help Desk and to train our staff how to use this system. Through this assistance, we are now capable of supporting the entire government of Iraq in improving modern procurement systems and assuring international and local companies that Iraq is eager to conduct business on international standards. I'm equally pleased to see Tarabot project supporting other ministries in improving their employees capacity.

يسعدني ان اتقدم الى مشروع ترابط التابع لوكالتكم الموقرة بجزيل الشكر والتقدير للمساعدة التي تلقتها وزارتنا في تدريب عدد من كوادرها في مجال التعاقدات العامة وكيفية استخدام الأنظمة الخاصة بها. وكذلك على تطوير نظام التعاقدات الحديثة وضمان الشركات المحلية والدولية، اذ ان العراق حريص على القيام بالاعمال التجارية وفق المعايير الدولية ويسعدني كذلك الإشادة بالجهود التي يبذلها مشروع ترابط في المساهمة في رفع قابليات العاملين في اجهزة ودوائر الدولة الأخرى.

Sincerely,

وأخيراً لكم منا كامل التوفيق والنجاح.

Dr. Salman Al-Jumaili
Minister of Planning

2 /11/2015

د. سلمان الجميلي
وزير التخطيط

٢٠١٥/١١/٢

PUBLIC PROCUREMENT REFORM

The year witnessed major advances in procurement reform throughout Iraq. USAID-Tarabot in partnership with the Ministry of Planning (MoP) has supported the government in the utilization of its investment budget through the reform and implementation of international standard procurement systems. These reforms have been designed to improve service delivery by lending efficiency and transparency to the procurement process, creating an environment conducive to fair and open competition in the tendering and awarding of contracts. Building private sector confidence in the government's bidding process has been core to this process.

In the past, the transparency and efficiency of government procurement has been hindered by reliance on disorganized, paper-based systems and antiquated processes. Practical and concrete reforms are vital to encourage the expertise of international firms upon which the success of large and complex projects often rely. USAID-Tarabot's work with the MoP has focused on delivering complementary capacity building activities and systems reform with the ultimate goal of establishing unified procurement system aligned with international standards.

Public Procurement Help Desk



Minister of Planning Dr. Salman Aljumali cuts the ribbon at the HelpDesk Opening Ceremony

In the presence of the Minister of Planning Dr. Salman Aljumali together with US Ambassador Stuart Jones, the MoP jointly with USAID/Tarabot launched the opening of the MoP Help Desk at a ribbon cutting ceremony on September 16, 2015.

This fully functional procurement Help Desk provides technical guidance to public and private contracting entities on procurement, including standard bidding documents, regulations for implementing government contracts, contracting forms, and other procurement issues. The Help Desk is now fully open and available as a resource bank for GoI entities to receive guidance on the now-unified and internationally standardized public procurement process. As U.S. Ambassador Stuart

Jones remarked, "This is a game-changer for procurement in Iraq. It sends the message that your government is a reliable partner, and that your country is open for business."

With the launch of the Help Desk, there are now multiple layers of support for government procurers to streamline their tenders. Ministry of Planning staff can now ensure that all local and central government authorities apply the adopted and implemented internationally recognized standards to contract tenders – many worth hundreds of billions of dinars. For both domestic and international suppliers, the entire procurement process is faster, transparent, and trustworthy—crucial qualities to attract a wide range of bidders.

To date, 30 pilot tenders with 17 government institutions benefit from the Help Desk. This resource bank is a particular capstone to the procurement reform support provided by USAID/Tarabot, and represents promising and encouraging growth in the GoI stepping into the modern era of international and domestic business. Such reforms have a lasting impact on these sectors, spurring infrastructural stabilization and growth.

Minister of Planning, Mr. Salman Al-Jumaili concluded, “[a]lthough it is small in size, the Help Desk has a big and important role serving both public and private sectors, and it is thanks to USAID’s *Tarabot* Project. Now the Government of Iraq has more than 6,000 listed projects from all state departments and governorates, and they include oil refineries, power plants and reconstruction projects like building hospitals among others-- however, they were halted due to many issues. But now, Directorate General for Government Contracts (DGGC) in our Ministry will work through the Help Desk to provide solutions for all those issues in a better and faster manner.”

DGGC Director General, Ms. Azhar Hussein added, “[w]e hope to get more support to the Help Desk as it will be the core to reform the Iraqi administrative system, dealing transparently with both the public and private sectors. Our previous experience proved that conducting projects in cooperation with the U.S. organizations makes them always successful, and thanks to this cooperation, we were able to achieve the desired goals within a record time.”

U.S. Ambassador Stuart Jones perfectly concluded, “[w]e can bring all the support in the world, but the most important element is the local partner, the local leadership, people who are willing to put their country before themselves, people who want to improve their people’s lives in their own country. When I see people like you, it gives me the hope and confidence that we are going to make a progress on this agenda.”

Development of Public Procurement ToT Program

USAID-*Tarabot* also partnered with MoP to develop a successful advanced-level procurement Training of



Participants at the ITCLO Advanced procurement training

Trainers (ToT) program. The candidates for this program were selected from both the MoP and other Gol entities, with the aim of having a cross-ministry cadre of qualified experts to provide assistance across all sectors of government. Candidate selection was strict, and included a clear commitment to the desire to train others. Through USAID/*Tarabot* assistance, these selected candidates received directed and focused basic and advanced level procurement competency trainings, which included such things as procurement policy and principles, standard bidding documents (SBD’s), Project Life Cycle, corruption and fraud challenges, contract management, and performance indicators. More than 20 individuals

graduated from these courses, attended by the deputy Minister of Planning at auspicious award ceremonies, and returned to their respective ministries and governorates as fully fledged ToTs, able to guide and pass on their skills to better develop their sectors.

The ten best candidates of this pool of newly qualified procurement ToTs were selected for a final, expert-level ToT public procurement course held by the esteemed International Labor Organization’s International Training Center in Turin, Italy. Though beyond the time period of this report, it is worth noting that all ten ToTs passed the expert-level course—more than justifying the investment made in them. They will return to Iraq as internationally trained and qualified public procurement experts, and will be the foundational members of the MoP Help Desk as well as leaders of future public procurement reform. The MoP will shortly begin giving training responsibilities, with USAID-*Tarabot* standing ready

for any further coaching and assistance as needed. Such leaders will be invaluable in the guidance and direction of continued public procurement reform long after *Tarabot* assistance ends, and they represent sustainable progress for the GoI in further infrastructural development.

Development of Public Procurement Curriculum

USAID-*Tarabot* further developed its previous curricula of training and handed them over to MoP. Based on these training manuals MoP develop a detailed training program to increase the awareness and capacity of all GoI entities on public procurement concepts, with a special focus on standard bidding documents. These training programs are explained below:

- Competency Level – Public Procurement
- Advance Level – Public Procurement
- Performance indicator
- Standard Bidding Documents

Comprehensive Capacity Building for Selected Ministries and Governor Offices (II elements program)

USAID-*Tarabot* supported MoP to coach six GoI Entities to Implement a Comprehensive Procurement Reform Package. Selection of these entities was done based on the following criteria:

1. Willingness to go through a massive reform in procurement activities
2. Volume of expected tenders based on the capital investment portfolio
3. Availability of qualified staff to carry out this massive reform
4. Previous cooperation with MoP and USAID-*Tarabot*
5. Expected impact of reform on the economic and social fields
6. Fair split between ministries and Governor Offices

When applying these criteria it was decided to work with the following entities:

1. Ministry of Electricity (MoE)
2. Ministry of Oil (MoO)
3. Ministry of Transportations (MoTr).
4. Ministry of Health (MoH)
5. Basra Governor Office
6. Najaf Governor Office

With these entities our approach included an assessment of their current practices and the development of a comprehensive and an updated capacity building plans. Before the implementation of such plans, USAID-*Tarabot* will secure top management commitment to implement for the planned reforms. During the duration of this project, USAID-*Tarabot* will nominate a dedicated advisor to be embedded in each entity to ensure timely and smooth implementation of this ambitious program and that results are according to plans.

Law and Regulations: Together with the MoP teams managed to train 322 government officials on the Iraqi procurement laws and regulations, including the SBDs, bid evaluation criteria, contract management and conflict resolution.

Procurement Dep. Structure: USAID/Tarabot conducted awareness workshops for the pilot entities on the proper procurement departments as requested by the MoP, which includes the hierarchy of these departments, relationships, and functionalities. After that, Tarabot provided on-job training and coaching for the pilot entities and the participating entities began upgraded their departments based on that. A good example of this reform can be seen at the MoH, where they added three additional staff and began carrying out proper functions and segregation of duties according to the new structure.

Procurement Staff Qualification: USAID/Tarabot together with the MoP trained 322 governments of Iraq representatives on procurement qualifications from all participating entities.



Deputy Secretary Obeid Freeh and participants at a procurement competency graduation ceremony

Standard Procurement Process:

USAID/Tarabot teams worked with the pilot entities to develop a new procurement process with specific timelines for completing the entire procurement process starting with the preparation of tenders through contract award, and received official approval for these processes at each participating entity. According to the new approved processes the max allowed time for any procurement process should not exceed one month, a great achievement from previous systems which could take up to six to eight months for completion of the tender process. A great success was achieved with the MoE, MoH, MoTr, and Basra office.

Procurement Plan: With technical support from USAID-Tarabot, the 2014 and 2015 procurement plan was submitted to the MoP. However, major deviations were noticed in these plans due to the financial crisis faced now by Iraq and the associated lack of funding for these tenders.

SBDs: USAID Tarabot worked with the designated committee from the MoP to complete the revisions of the SBDs. The following SBDs are now revised and ready to be implemented:

- Specialized Bidding Documents
 - purchasing medicine, medical supplies, and instruments
 - Prequalification documents
- Non specialized Bidding Documents:
 - Supplying of goods
 - Design and execution of works for general contracts
 - Design and execution of works for limited contracts
 - Work contracts
 - Evaluating bids (supplying goods and works)

One a parallel track, USAID/*Tarabot* worked with MoP to train GOI entities on the implementation of the SBDs and also partnered with the MoP to carry out field visits to select GOI entities to start applying these SBDs on pilot projects. Below is a sample table of these pilot projects that implemented the SBDs.

GoI Entity	Pilot Procurement	Cost (Est.)
Ministry of Electricity	Design, supply, installation and implementation of 14 new gas-insulated substations. These substations will improve the reliability and availability of electricity by enhancing the national power grid.	\$260 Million
Ministry of Construction and Housing	Architectural design of a subsidized 400 unit housing complex in Diwaniyah for the families of people killed in war.	\$200 Million
	Hiring a project management firm to oversee the repair of a 121 km road leading to the border with Saudi Arabia in Muthanna,	\$70,000
Ministry of Industry and Minerals	Supplying machines for making pipes for water supply, drainage, and sewage infrastructure	\$4 Million
	Installing sand filtering plants to be used for concrete	\$2 Million
Ministry of Transportation	Purchase of specialized iron which is an essential component of a \$73 million dollar project planned by the General Company for Iraqi Railways to extend the railways in the southern area from Basrah to Amarah. This project is expected to improve oil revenues.	\$70,000
	Construction of weather station in Samara'a	\$3 Million
Ministry of Higher Education	Providing an industrial printing machine and constructing a building for text books for use in Mustenseryia University in Baghdad. Previously there had been no printer at the university, and the Ministry did not previously have the capacity to provide sufficient books for universities nationwide. This printing shop is part of the decentralization and improved efficiency in production of education materials. This mirrors efforts elsewhere, such as Babil. These documents, and this project, could be used as a standard model for other universities.	\$8 Million
Ministry of Health	Construction of a 300-bed maternity hospital in Diwaniyah	\$127 Million
Babil Governorate	Construction of a police facility to replace a dilapidated, outdated building with a more modern one, in a more strategic location, and with much greater security features. This comes at a time of great demand on police forces due to heightened insecurity.	\$1 Million

Procurement Indicators: This year witnessed a landmark achievement in public procurement system in Iraq by the development and adoption of public procurement performance indicators by the MoP. These indicators cover all areas of public procurement at the level of each procuring entity and are meant to provide senior management with accurate data about the performance of their procurement activities. USAID-*Tarabot* conducted six workshops to educate procurement officials at the pilot ministries and governorate offices, and all pilot entities subsequently implemented them.

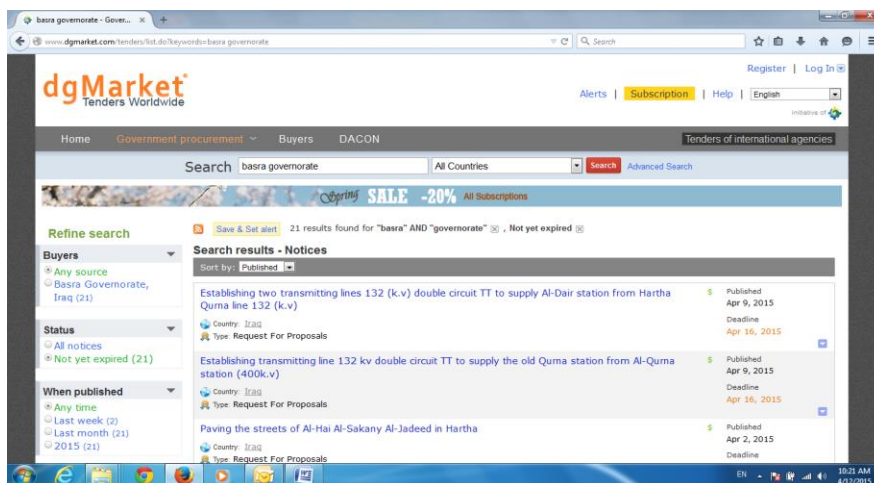
These performance indicators and the required reporting serve as a consistent and periodic health check of the GOI procurement system as well as to ensure that procurement reform progresses long after USAID-Tarabot assistance concludes. Such self-reform tools will help attract more foreign and domestic business.

Procurement Archiving: USAID/Tarabot introduced a standardized archiving system for the participating GOI entities to ease the indexing and search of any information related to that tender. With the new archiving system each tender has its own box file that contains all relevant documents from the concept design through to the close out of the tender. The MoTr took this one step further and automated their archiving system, connecting it to their online procurement system which links all sub-sites to their headquarters.

Procurement Report: USAID/Tarabot teams worked with the pilot GOI entities to introduce an improved formatting and content of the procurement reports that each procuring entity is mandated to generate to its management. On the job training and coaching was provided to analyze existing data to be presented in the new format of the report. Now all the participating entities are capable of generating these reports according to their cycle of reporting, which can be on monthly or quarterly basis. While we managed to achieve this without mandatory instructions from MoP, work is currently underway to lobby the MoP to issue mandatory instructions to all GOI entities to implement this element of the public procurement system of Iraq on a mandatory basis.

Dep. Webpage: USAID/Tarabot teams worked with the MoTr, MoE, MoH, MoO, Basra governorate to update their procurement section on their website to include all necessary information to potential bidders according to MoP's instructions. As for Najaf governorate, USAID/Tarabot team worked with this office to completely redesign their website to include necessary information about public procurement. Below are the links to these procurement pages of the relevant entities.

dgMarket: All pilot entities subscribed to dg market through our help and achieved remarkable achievements by attracting international companies through this advertisement platform. A good example is the Vanadium tender, which was published by the MoE through the dgMarket and 13 international competed on this bid.



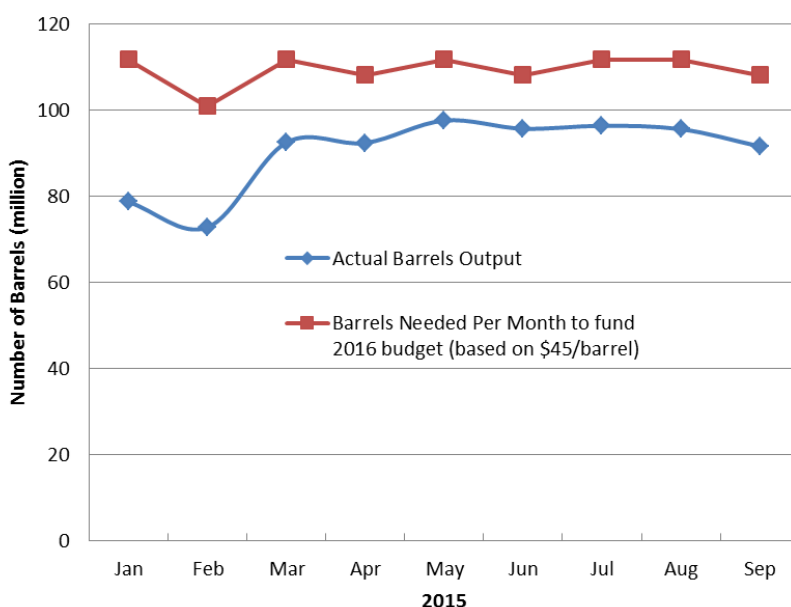
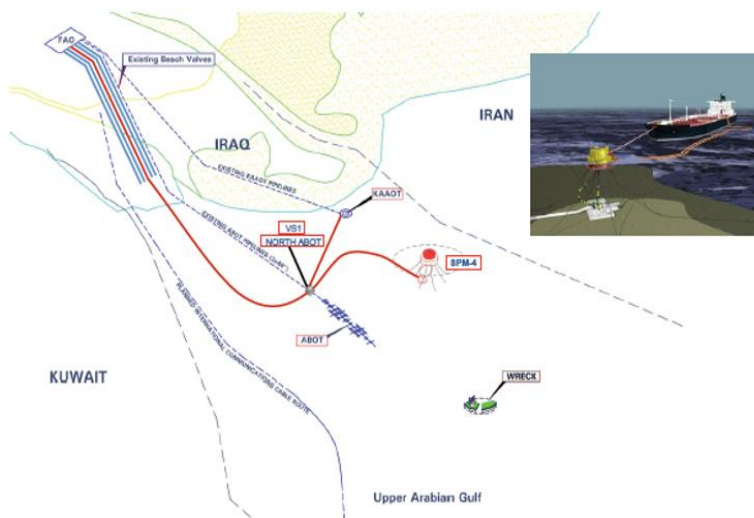
Snapshot of the Basrah Governorate on the dgMarket

OIL RAPID ASSESSMENT

Over the last 10 years Iraq determinedly rebuilt its oil infrastructure and negotiated agreements with international oil companies, developing fastest growing oil sector in the world and becoming the second largest producer in OPEC. Based on that, Iraq developed broad plans for national development based on the continuation of this trend through 2017.

Unfortunately, in summer of 2014, ISIS took over almost one third of Iraq including critical oil facilities and international oil prices fell to almost 50% of its former value. As a result, Iraq faced its most daunting challenge since then jeopardizing its progress and ability to fight ISIS.

To combat this, the U.S. government together with the Iraqi Ministry of Oil agreed to task USAID-Tarabot to carry out a rapid oil assessment to identify gaps and to develop rapid plans for immediate actions that the government can take to overcome these challenges to increase oil export through the southern export system. For that, USAID-Tarabot recruited a team of American and Iraqi experts to conduct this rapid assessment, which diagnosed key areas of inertia within the Ministry of Oil, including bottlenecks within project management, procurement, organizational and political problems, and stalled projects.



The findings of this assessment were alarming. The list of fixable stalled projects in refinery operations, export facilities, and oil product distribution systems were found to cost Iraq a total of over \$13.4 billion per year in lost revenues. This is an important figure. The 2016 Gol federal budget was based on the supposition that the economy would generate 3.6 million barrels of oil per day. Currently, oil output is far less than this. Compounding the problem is a pre-existing federal deficit of \$25 billion per

year. Though the GoI has curtailed spending and is increasing taxes to cover the shortfall, it is not enough to make up for both the existing deficit as well as meet the fiscal requirements the 2016 budget is based upon. This makes any amount of lost oil revenue vital to Iraq's economic health.

The rapid assessment team analyzed the reasons for the oil production delays, proposed solutions for immediate improvements within a year, and recommended a set of immediate targeted administrative reforms and skills-development aimed at bringing much needed resources into the Iraqi budget. USAID/*Tarabot* presented the this report to ministry of oil in the presence of the U.S. Ambassador Stuart Jones, who lauded its findings and iterated its importance to the government of Iraq, as well as to the Minister of Oil himself, welcomed the finding and showed determinations to work hand in hand with *Tarabot* teams to achieve the objectives as outlines in the assessment.

Based on this, USAID-*Tarabot* designed its technical assistance program for the ministry of oil and presented its plan of actions to the ministry teams with the presence and support of Ambassador Jones. This program was welcomed by the ministry and agreement was reached during that meeting and the subsequent meetings to immediately start this rapid technical assistance program.

\$13.4 Billion of Extra Revenues Technical Assistance Program

USAID-*Tarabot* designed its technical assistance program for MoO based on four pillars:

- 1- Technically challenged projects.
- 2- Public Procurement.
- 3- Project Management.
- 4- Regulatory and Administrative Reform

These pillars of support are designed to assist not only the MoO but its state owned enterprises (SOEs) as well. These include the Oil Pipeline Company (OPC), the Midlands Refinery Company (MRC), the Southern Oil Company (SOC), the South Refineries Company (SRC), and the State Company for Oil Projects (SCOP). The Minister of Oil approved the work plan of technical assistance, and Deputy Minister of Oil Dr. Fayyad Hasan Nima instructed all MoO companies to cooperate with *Tarabot*. In support of this effort, several committees were formed to smooth the liaison between *Tarabot* and MoO representatives and departments:

- Higher Steering Committee, headed by Deputy Minister Dr. Fayyad Hasan
- Ministerial Center Committee, headed by Dr. Ihsan al-Attar
- OPC subcommittee
- MRC subcommittee
- SOC subcommittee
- SRC subcommittee
- SCOP subcommittee

(1) Expeditious Implementation of Technically Challenged Export and Refinery Projects

Iraq's export systems are dilapidated and constitute a severe bottleneck, limiting the capacity of exports to keep pace with the increasing production levels of oil fields in the area. With the absence of adequate storage capacity, the export bottleneck currently results in repeated production curtailments. Iraq's refinery systems are similarly clogged, in that Iraq's ability to refine its own petroleum products for internal final consumption is extremely limited. What facilities do exist are not operating at peak output due to a variety of issues, including stalled contracting processes, lack of spare parts, lack of maintenance, lack of qualified technicians to operate the facilities, and lack of financial resources.

Progress Achieved:

Twelve projects were identified in the rapid assessment as "quick wins" for the MoO. *Tarabot* has recruited several senior level advisors, including a high level petrochemical refinery expert, to design and execute the program of assistance for these projects. So far, four of the projects have been approved by the Ministry of Oil to begin receiving technical assistance, and work is underway with continual, key site visits, assessments and trainings, and ministerial follow-up to identify specific problems and finalize and implement proposed action plans for solutions.

- Reduce number of days of weather outages – improve tugboat capacity and pilot capabilities
- Basra Refinery Isomerization Project
- Doura Refinery Catalytic Reforming Unit
- Doura Refinery Boilers Project
- GPS monitoring system for oil tankers

Seven projects still await approval, and US Ambassador Stuart Jones made a formal request of the Minister of Oil to consider approval for these remaining projects.

(2) Establishing Transparent and Effective Procurement Systems

The MoO is Iraq's largest builder and spender, with capital investment budgets that exceeded US\$17B in 2014, which is 25% more than the rest of Iraq's 23 non-sovereign ministries combined. However, the MoO and its state owned enterprises (SOEs) do not meet international standards in procurement procedures in that their procurement structure does not facilitate uniform procedures, leaving room for ad hoc and unjustifiably varied offers for similar services. They rarely produce annual procurement plans providing transparency on their procurement actions. They lack a standard bidding template for Oil Sector procurements, and many other standard policies and procedures. These problems are compounded by the varied practices among the different oil companies and departments associated with the MoO. Given the central importance of the oil sector to the Iraqi economy and public budget, as well as the volume and critical nature of the MoO procurements, this situation is a key element in many of the expensively stalled projects.

Progress Achieved

Significant progress has been made in establishing procurement reform within the MoO and the SOE entities. Action plans to introduce procurement reform along the *Tarabot*-developed reform package consisting of 11 procurement elements were approved, and work initiated to begin implementation. So far, more than 11 pilot projects from across the entities have been selected for application of SBDs, and procurement competency workshops are underway to develop procurement plans and a standard



USAID/Tarabot advisors meet with the MoP to discuss oil sector procurement reform

procurement process for the selected projects. *Tarabot* advisors and MoP procurement Help Desk representatives are at joint work on this measure.

Tarabot advisors and MoP Help Desk representatives are also conducting site visits to selected oil companies to assess obstacles in the contracting process, conducting workshops and trainings on the procurement cycle, and meeting regularly with the MoO and SOEs for feedback and continued coordination.

Also under development is a standard bidding document specialized for the oil sector that addresses both the unique demands of the MoO

while simultaneously fulfilling the requirements of the MoP. So far, USAID/*Tarabot* in concert with the MoP Help Desk have held several very productive meetings to come to terms on the framework for this specialized SBD, and several chapters of the SBD are already under draft.

Finally, USAID/*Tarabot* initiated technical assistance to the MoO in preparing successful bids and tenders for at least 10 priority oil sector projects. This will equip targeted MoO procurement staff with modern procedures to develop projects descriptions, scopes of work and cost estimates for tenders according to international standards. To support this, *Tarabot* advisors are working with MoO entities to improve company websites, including a special webpage dedicated for the international tenders, as well as encourage all entities to subscribe to the dgMarket website for the announcement of tenders, which will better attract international companies and increase competition among contractors and vendors.

(3) Improving Project Management Execution Systems

Despite being Iraq's biggest builder and possessing capital budgets that exceeded US\$70B over the past five years, the implementation of major works projects with the MoO and its subsidiary SOEs has suffered from deficiencies in scheduling, budgeting, and monitoring and controlling. As such, oil production, transportation, export and refining is negatively affected as projects are delayed, run over budget, or sometimes canceled altogether. Despite its complex organizational structure and numerous SOEs, the majority of the MoO's projects are managed by SCOP, with other SOEs managing some projects of their own. SCOP's failure to complete projects has been a huge unrecognized subsidy. Opportunity costs associated with delays to SCOP projects are billions of dollars each year.

Progress Achieved

USAID/*Tarabot* is working with the MoO and other entities to improve project management functions with ten ongoing delayed projects, propose effective solutions according to project management best practices, as well as provide hands on expertise to support the teams in the areas of project management, conflict management and contract dispute resolution techniques.

USAID/*Tarabot* will also provide capacity building and assist the MoO in establishing urgent systems including developing cost estimation techniques, enhancing scheduling methods, providing case models and guidelines to conduct feasibility studies, and develop a project implementation process.

Tarabot advisors are also at close work to improve the implementation of 10 ongoing delayed projects. Five of the ten have been identified so far, and *Tarabot* have engaged to apply project management

urgent techniques based on international and PMI standards. In cooperation with MoO entities, *Tarabot* advisors are identifying specific issues behind the projects' delays and providing technical assistance in specific areas, ie: recommendations to the rescheduling of projects. Work is underway to develop schedules for monitoring systems and cost control, as well as a process map for the implementation life cycle of the project to be used in identifying common project issues and resolutions. This will be developed into a quick reference guide.

USAID/*Tarabot* is also introducing cost estimation techniques and guidelines to perform accurate cost estimates, which make the basis for tender comparison, assessment, evaluation, and negotiation. So far several workshops have been held for engineers and project estimators from all MoO entities, utilizing active projects as a template for application. To enhance scheduling methods, USAID/*Tarabot* is teaching MoO entities how to use Primavera software to develop realistic schedules to better plan, manage, control and execute projects. The training materials have been developed, and USAID/*Tarabot* is at work to identify the specific MoO companies and experts, particularly including members from the SOC and SCOP, who should receive the training and technical support to apply the software on new and ongoing projects. Workshop implementation is expected to kick off in mid-November.

USAID/*Tarabot* will assist the MoO in implementing a Project Management Professional (PMP) certificate preparation program. The program aims at preparing the candidates to take the exam. The new PMPs will be an asset to the MoO in the application of modern project management procedures utilizing the Project Management Institute (PMI) standards. *Tarabot* advisors are working alongside the ministry to draft a short list of potential high quality participants for the course, who will then be subjected to an elaborate vetting process to ensure their caliber. The first step in this process is to ensure their English proficiency through a placement test for English proficiency. USAID-*Tarabot* began the coordination with the Director of Baghdad University English proficiency testing center to plan a workshop to prepare the selected candidates for the English exam.

(4) Streamline Internal Policies, Regulations, and Administrative Functions of MoO and its Entities

There remain regulatory obstacles disrupting the production increases of Iraq's oil sector. Besides the crisis of lower oil prices and cash liquidity problems, there is a huge backlog of outdated, contradictory, and harmful regulations, instructions, and laws. These outdated and harmful regulations interfere with the Ministry's efforts to address stalled projects, and also block and delay many of the operations of the State Owned Oil Companies and the International Oil Companies in Iraq. The oil sector has the greatest fiscal and economic impact on Iraq, and therefore any clean-up of even some of these regulations at the ministry level will be of the great impact during this time of special crisis.

Progress Achieved

USAID/*Tarabot* is assisting the MoO to reconsider the powers accorded to the minister, deputy ministers, general directors, managers, project managers and heads of departments and others, to promote delegation of authorities to lower levels empowering project and site managers. This will enhance processes and reduce delays in approvals and procedures to ensure efficiency, achieve increased production leading to improved financial returns. Already USAID/*Tarabot* is positively engaged with MoO entities in agreeing upon and drafting these departmental restructures.

So far, *Tarabot* regulatory reform advisors have met with all MoO and SOE entities to discuss the decentralization of powers as well as the development and refinement of internal policies and procedures. Together, they have already identified the specific laws, regulations, and ministerial orders causing obstacles and delays, and are brainstorming and drafting suggested improvements. A draft action plan promoting the delegation of authorities to lower levels was presented and is under review by respective DGs. *Tarabot* advisors also designed and made available customized assessment tools to collect and document information for further reforms in continued discussions.

At the same time, *Tarabot* organizational reform advisors are at work with MoO and SOE entities to restructure departments to be in alignment with structures proposed by the MoP, as well as to introduce ISO 9000, an internationally recognized quality management system. The restructure for the OPC has already been drafted, and is under review for approval—other entities' restructure methodology is under continued joint development.

Other workshops are under design to review customs regulations and procedures, banking systems, letter of credit procedures, and existing oversight, monitoring and inspection procedures.

KURDISTAN SOCIAL SAFETY NET

This year saw the completion and launch of the Kurdish Social Safety Net. After years of engagement and hard work, this system was officially launched on September 7th, 2015, attended by Prime Minister Nechervan Barzani and US Consul General Mattias Mitman.

This system is the result of over three years' work to introduce an automated, state of the art social welfare system identical to the federal SSN, which launched in 2013. Though a previous Kurdish welfare system existed, it was paper-based and antiquated, and depended on separate sites in each province. Payments were delayed or stalled indefinitely, and there was no way to verify or track duplicate applicants in the system since each site operated independently.



*USAID/Tarabot COP Nael Shabaro greets
Kurdish Prime Minister Barzani*

USAID/*Tarabot*, hand in hand with the World Bank and Kurdish Ministry for Labor and Social Affairs, worked to design and install a state of the art automated system. This system connects sub-site databases in Erbil, Dohuk, Sulaymaniya, and Ghermian to a central headquartered hub, through which all records pass and are stored. Duplicate or ineligible entries can be flagged immediately, and payments made on time through continuous, synchronous updates nation-wide. Technicians worked alongside KMoLSA counterparts to transfer the existing beneficiary data into the new database, and after that USAID *Tarabot* could generate reports to examine the eligibility of existing records.

During the first run of the system, more than 74,000 records were flagged as duplicates or incomplete. The Minister of Social and Labor Affairs immediately ceased payments to these records, which will save an estimated \$2 million per month that can be channeled back into the system to subsidize other beneficiaries in real need.



Kurdish Prime Minister Barzani speaks at the KSSN Opening Ceremony

Tarabot technicians trained government counterparts on the management, operation, and technical specifications of the system and have equipped KMoLSA to maintain this system indefinitely with an elaborate sustainability plan submitted at the close of the program. This plan highlights the needs and maintenance required to keep the system operational moving forward, including training, staffing, and budgetary requirements.

The KSSN project currently covers more than 150,000 families or 750,000 individuals within the Kurdistan region. Widows, orphans, and disabled persons receive monthly allowances through an efficient, fair, and transparent system in every

province and major city. Prime Minister Barzani publically endorsed this new system at its launch, and expressed his pleasure and hope for how it can improve the lives of Kurdish citizens. He called upon the Ministry of Finance to make available the funding to provide for the system’s continuation.

The SSN system is now fully operated and controlled by the Kurdish Ministries of Labor and Social Affairs with an allocated budget of \$300,000, and USAID/*Tarabot* leaves the system confident in both the Ministry’s pride and ownership of such an advanced social welfare system as well as the very visible step of progress it symbolizes in the Gol taking responsibility for its neediest citizens. Its launch makes the SSN the first to service all of Iraq, when combined with its sister system for federal Iraq.

Dohuk One Stop Shop

USAID/*Tarabot* also partnered with the KMoLSA to establish a One-Stop-Shop Service Center in Dohuk, a service center that can register applicants in a matter of only 20 minutes. The service center was completed in time for the first test run of the Social Safety Net system in Kurdistan and an opening ceremony took place alongside the official launch of the Kurdish SSN.

This One Stop Shop is the first of its kind in Iraq, offering modern physical infrastructure and efficient automated systems to improve services, while promoting public accountability and citizen satisfaction. *Tarabot* tailored architectural designs for partner entities, reengineered business processes, automated systems, and trained over 400 individuals on customer service standards. USAID-*Tarabot*’s design reflects the principles of linear business flow, customer comfort, and easy access for physically disabled persons.



Kurdish Minister of Labor and Social Affairs celebrates the opening of the Dohuk OSS

COMSEC showed a great level of interest and ownership of this initiative and thus formed a committee from its staff to take over the know-how and developed designs from USAID/*Tarabot*. This nine-member committee was fully trained on the three pillars of establishing OSS including architectural design, process improvement and automation, and customer service.

On this date, the Secretary General of COMSEC, Dr. Hamid Khalaf, together with his deputy Dr. Farhad Nimatallah and senior officials from COMSEC sponsored the exhibition of the three-dimensional model at COMSEC premises. Immediately afterwards this committee started visiting the ministries interested in implementing this concept, including Ministries of Municipalities and Public Works, Oil, Migration and Displaced, Labor and Social Affairs, and Justice to promote and support this initiative.

Though the development of additional OSSs across Iraq stalled due to the financial crisis, Dohuk OSS remains a beacon of progress for service delivery reform.

IRAQ DEVELOPMENT MANAGEMENT SYSTEM

Among USAID-Tarabot's initiatives aimed at maximizing the value and impact in service delivery is the Iraq Development Management System (IDMS). This comprehensive web-based application manages the whole cycle of government and donor-funded development projects. The system serves as a reliable and credible source of information on the distribution of development projects according to sector, location, and implementing institution. The system allows government officials to make wiser decisions with its capital investment resources, and to better identify and address any weaknesses in implementation.

The Council of Ministers Secretariat will use reports generated by the IDMS to update the Council of Ministers on progress achieved for each project and according to each province. This critical step in modernizing Iraq's public administration will assist the Prime Minister of Iraq to implement his critical reform agenda including greatly improved planning and management of capital investment projects leading to curbing corruption and providing better services to citizens.

This system will help the government manage limited resources at a time of budgetary crisis, while still maximizing elements of the national policy agenda such as the sustainable handling of oil revenues, diversifying of Iraq's economic base, reducing the percentage of the population living in poverty, raising the level of net enrollment in schools, upgrading health infrastructure, improving the quality of life for vulnerable groups, and promoting sustainable environmental practices.

The MoP gave long-awaited formal approval in May of this year for the rollout of this system. This was followed in August with the acceptance of the system by UNDP-funded software company Synergy, who will partner with USAID-Tarabot for its rapid deployment. The MoP constructed a team of 24 expert staff extensively trained by USAID-Tarabot to team with USAID-Tarabot and Synergy to work with select government partners to better prepare them to use the system..

These partners include the Ministries of Water Resources; Labor & Social Affairs; Construction & Housing; Science & Technology; and Higher Education, as well as the governorates of Wasit, Diwaniya, and Muthanna. The MoP has asked the support of USAID-Tarabot to carry out field visits to the ministries and governorates to provide onsite job training and to secure the deployment of the IDMS on these sites. So far, these entities successfully uploaded their MoP-approved projects into the IDMS and



USAID/Tarabot advisor teaches about the IDMS

are already generating reports through the system. USAID-*Tarabot* continues to train ministry and governorate staff on the capabilities and feature of the IDMS, as well as guide the MoP in how to utilize the IDMS to compare its reports with the 2013 and 2014 paper records. This will help to refine the system to suit exactly the MoP's needs as well as ensure the quality of reports.

Currently, USAID-*Tarabot* continues to assist the MoP to conclude a maintenance contract with an outside company to ensure software updates as well as bug fixes to the system can be provided to keep the system running optimally. *Tarabot's* assistance included drafting a Terms of Reference document that the MoP is reviewing, as well as helping the MOP to issue the final contract.

ANNEXES

4th Quarter (July - September) FY 2015 Performance Indicators

Sub-IR 3.2: Provincial Resource Management for Service Delivery Strengthened								
Indicator #	Indicator Name	Annual Target FY 2015	Qtr. 1 FY 2015 (Oct-Dec) 2014	Qtr. 2 FY 2015 (Jan-Mar) 2015	Qtr. 3 FY 2015 (Apr-Jun) 2015	Qtr. 4 FY 2015 (Jul-Sep) 2015	Annual Results FY 2015	Status
3.2.14	Number of ToT graduates delivering training on public procurement to GoI officials and private contractors. (New Indicator)	20	N/A	0	9	4	13	
3.2.15	Number of Milestones achieved by GoI that strengthen the delivery of services, revenue generation and promotes transparency. (New Indicator)	4	N/A	0	2	2	4	By end of FY2015 USAID-Tarabot achieved these milestones: 1-MoP DGGC Help desk officially opened. 2- Payment report was generated from the KRG SSN system. 3- Public Procurement Curriculum was developed and submitted to MoP. 4- Submitted Rapid Assessment Report for Iraqi Oil Sector.

3.2.16	Number of GoI officials trained on application of Standard Bidding Documents (New Indicator)	300	205	130	99	0	334	
3.2.17	Number of procurements on which Standard Bidding Documents were used (New Indicator)	20	0	13	7	0	20	See tracker
3.2.9	Number of GoI entities that have improved procurement processes or systems	6	N/A	0	5	3	8	MoP, MoF, MoO SCOP, MoH, MoTr, MoE, Najaf and Basrah GO
3.2.9	Estimated amount of Social Safety funds saved due to exposure of non-eligible beneficiaries from the SSN System (Tarabot 2014 PMP).	N/A	N/A	N/A	N/A	N/A	N/A	The result of this indicator related to KMoLSA and the official result of this indicator will be sent ASAP

Notes:

1. The number reported is for individuals and not participants.
2. Per USAID instructions, beginning FY 2014, indicators 3.2.1 and 3.2.3 are reported under Indicator 3.2.5
3. Per USAID instructions, beginning FY 2014, indicator 3.2.2 is reported under Indicator 3.2.6

4th Quarter (July - September) FY 2015 Charts and Tables

Table I: Workshops Participants by Organization

Organization	Automation	IDMS	Oil Sector	Procurement
Basrah Governorate Office				13
Council of Ministries Secretariat (COMSEC)				41
Ministry of Electricity				53
Ministry of Labor & Social Affairs/KRG	10			
Ministry of Oil			42	
Ministry of Planning		1		7
Muthanna Governorate Office		9		
Wasit Governorate Office		13		
Grand Total	10	23	42	114

Figure 1: Activities Distribution by Type

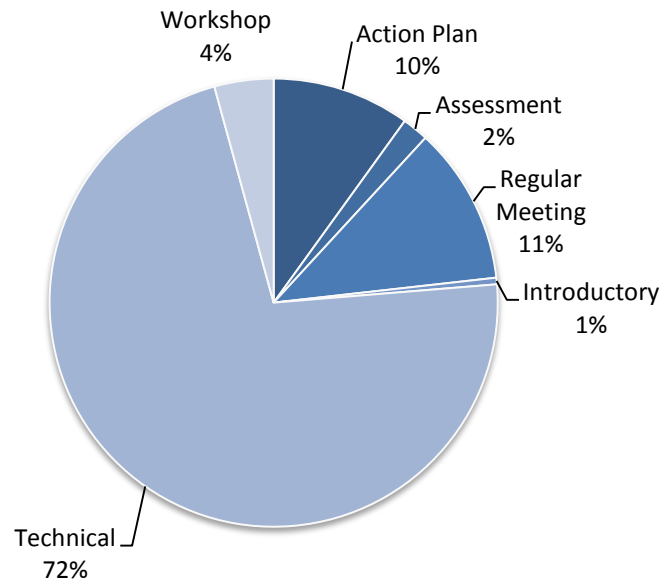


Figure 2: Workshop and Meeting Activities by Provinces

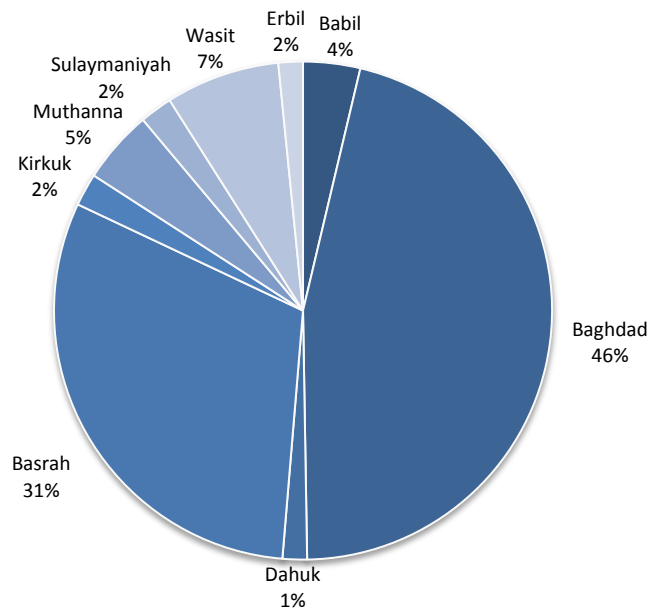
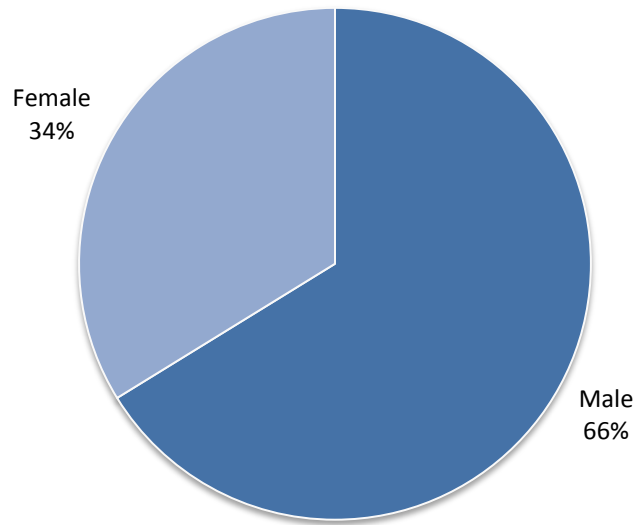


Figure 3: Workshop and Meeting Participants by Gender



Workplan Tracker

1. Rapid Improvements of the Oil Sector Revenues				
1.1 Implementation of Critical Projects				
Activity	Activity Name	Task Name	Status	Progress and Comments
1.1.1	Improve MoO capacity in implementation of Technically Challenged and Troubled Export Projects <i>(Ref: Rapid Assessment – Section 2 “Export Projects”)</i>	1- Secure MoO top management commitment to identify and implement solutions to the critical projects.	In Progress	12 projects were proposed to be approved by MoO, USAID-Tarabot received an official approval for the following four projects out of the 12: 1. Rough weather outages 2. Isomerization unit – SRC 3. Catalytic reforming unit – MRC 4. Heavy boiler system - MRC USAID-Tarabot still waiting the MoO approval for the 7 remaining projects
		2- Provide technical assistance to the MoO and its entities in resolving complex issues associated with the following 5 projects that were identified during the rapid assessment: a) Expedite commission of Single Point Mooring (SPM #5) in Basra – Removal of shipwreck. b) JICA SEALINE project contract dispute – Basra c) AL Fao Terminal pump stations and Oil Depot d) Export facilities upkeep -SOC to procure spare hoses, hawsers and other spare parts to maintain their current SPM export levels. e) Reduce number of days of weather outages – improve tugboat capacity and pilot (SOC loading operations)	In progress	<i>Reduce number of days of weather outages – improve tugboat capacity and pilot (SOC loading operations), one of the five projects was approved by MoO. During Qtr 4 Tarabot oil sector team conducted several meetings and provided recommendations to move forward with improvements in the crude oil loading system.</i> Accordingly, USAID-Tarabot Oil Advisors discussed with SOC the challenges of oil export during rough weather and ways to improve the work in such conditions, among which are increasing the pilots’ capacities and skills, constructing a wave reduction system, floating mooring system, new high power tugboats, a modern telecommunication and meteorological systems.

		4- Prepare action plans to implement rapid solutions	In progress	<p>USAID-<i>Tarabot</i> is currently working to finalize the final action plans for the approved projects by conducting several meetings with MoO and its entities to collect the required information that will be used to finalize the final draft action plans for 3 projects approved by MoO out of 6 projects the USAID-<i>Tarabot</i> had proposed to MoO, the approved projects are:</p> <ol style="list-style-type: none"> 1. Isomerization Unit – SRC 2. Catalytic Reforming Unit – MRC 3. Heavy Boiler System - MRC
1.1.2	<p>Improve MoO capacity in implementation of Technically Challenged and Troubled Refinery Projects(Ref: <i>Rapid Assessment – Section 3 “Refinery Projects”</i>)</p>	<p>1- Provide technical assistance to the MoO and its entities in resolving complex issues associated with the following 6 projects that were identified during the rapid assessment:</p> <ol style="list-style-type: none"> a) Basra refinery boiler system, b) Excess salt content in crude oil – SOC/SRC to ensure crude oil meets quality specifications., c) Spare parts for SRC reforming unit d) Isomerization unit – SRC e) Heavy boiler system – MRC f) Catalytic reforming unit - MRC 	In progress	<p>Immediately after USAID-<i>Tarabot</i> finalize the action plans, The Oil sector team will start providing the technical assistance for the following approved projects:</p> <ol style="list-style-type: none"> 1. Isomerization unit – SRC, 2. Catalytic reforming unit – MRC, 3. Heavy boiler system – MRC
		2- Prepare action plans to implement rapid solutions	In progress	<p>Immediately after USAID-<i>Tarabot</i> finalize the action plans, The Oil sector team will start providing the technical assistance for the following approved projects:</p> <ol style="list-style-type: none"> 1. Isomerization unit – SRC 2. Catalytic reforming unit – MRC 3. Heavy boiler system - MRC

1.1.3	Assist MoO in Implementation of Improved Monitoring of Oil Products Distribution <i>(Ref: Rapid Assessment – Section 4 “Oil Products Distribution”)</i>	1- Respond to MoO request to introduce GPS tracking system on governmental fuel tankers.	complete	USAID- <i>Tarabot</i> responded to MoO request on introduce the GPS tracking system on governmental fuel tankers by including this project in USAID- <i>Tarabot</i> workplan.
		2- Prepare action plan to procure and implement the tracking system	In progress	USAID- <i>Tarabot</i> oil team is working now to finalize the final draft of action plan

1.2 Improve MoO Procurement Procedures and Processes

Activity	Activity Name	Task Name	Status	Progress and Comments
1.2.1	Develop Standard Bidding Documents (SBD) for the Oil Sector <i>(Ref: Rapid Assessment – Section 5 “Procurement”)</i>	1- Assist MoO to form a working group from MoO, MoP and <i>Tarabot</i> to research and identify the specific terms, conditions and requirements that need to be incorporated in the specialized Oil SBD.	in progress	<p>USAID-<i>Tarabot</i> PAU and MoP- DGGC established a committee to work with MoO to identify the specific terms, conditions and requirements that need to be incorporated in the specialized Oil SBD. Several site visits were conducted to the five selected oil companies according to draft schedule prepared from MoP-DGGC and <i>Tarabot</i> representing the five selected oil companies to collect data on Oil SBD;</p> <p>USAID-<i>Tarabot</i> with designated committees representing the five selected oil companies and representatives of MoO’s IG Office, Planning & Follow up, Training & Development and Economic & Financial</p> <p>Directorates conducted several meetings to discuss the process of developing the specialized standard bidding documents for Iraq Oil Sector. The outcomes were as follows:</p>

				<p>1- Prepare a mechanism to develop Oil sector SBD's.</p> <p>2- Agreement to conduct site visits by MoP Helpdesk and USAID-Tarabot PAU to the relative oil companies to recognize any obstacles in the contracting process.</p> <p>3- Engagement of the international and local oil companies through utilizing their feedback and recommendations</p> <p>4- Draft Oil sector SBD's will be finalized after collecting all the required data.</p> <p>5- Draft Oil sector SBD's will be introduced to competent</p>
1.2.2	<p>Assist 5 MoO Entities in Preparing New Tenders</p> <p><i>(Ref: Rapid Assessment – Section 5 “Procurement”)</i></p>	<p>1- Identify 10 high priority potential tenders using 2015-2016 MoO capital investment Projects list to improve the procurement process at SOC, SRC, MRC, SCOP and OPC</p> <p>a. Supplying diesel welding machine (Lincoln) - SOC</p> <p>b. Supplying control equipment for the crude oil well - SOC</p> <p>c. Supplying spare parts for the air compressor ATLAS COPCO-SOC</p> <p>d. New 21 Km crude oil pipeline from Zubair to SRC</p> <p>e. Three phase hermetically sealed oil immersed transformers, crowd mounted, naturally cooled (ONAN) for outdoor installation (offshore oil part) – SOC</p> <p>f. Bin Omar Depot project – SCOP</p> <p>g. Feasibility Studies for Oil Product Pipeline from Basra to Baghdad - OPC</p> <p><i>Note:3 more tenders will be</i></p>	complete	<p>Based on 2015-2016 MoO capital investment projects list, 10 high priority potential tenders were selected in cooperation with PM team, Working on these tenders will be started beginning from the next quarter with SRC, then with SCOP. The high priority tenders are as follows:</p> <ol style="list-style-type: none"> 1. New 21 Km crude oil pipeline from Zubair to SRC 2. Bin Omar Depot Project to SCOP 3. Supplying control equipment for the crude oil well to SOC 4. Rehabilitation of the turbine unit at Zubair 1 to SOC 5. Export infrastructure network expansion to SOC 6. Flare Gas Recovery to MRC 7. MLDW, iso de-waxing o MRC 8. Asphalt unit to SRC 9. Feasibility Studies for oil product pipeline from Basra to Baghdad to OPC 10. Identify project for IDC (will follow up with IDC and update you)

		<i>provided by MRC and SCOP</i>		
1.2.3	Adopt and implement an Effective Procurement System at 5 MoO <i>(Ref: Rapid Assessment – Section 5 “Procurement”)</i>	1- Assess current procurement practices at 5 MoO entities (SOC, SRC, MRC, SCOP and OPC)	complete	Beginning of this quarter USAID-Tarabot Oil sector team completed the assessment activities for the selected MoO companies
		2- Prepare action plans for the 5 MoO entities to undertake procurement reforms packages based on 11 elements to implementation compliance with all procurement requirements as follows: a. Implement all Procurement Laws and Regulations, b. Have a Fully Functional Procurement Department, c. Have Qualified Procurement Staff and effective organizational structure Procurement Standard Process, d. Procurement Plans, e. Standard Bidding Documents (SBDs), f. Procurement Performance Indicators, g. Procurement Records Management/Archiving, h. Reporting on Procurement Activities, i. Procurement Department Webpage, j. Subscription to dg Market.	complete	USAID-Tarabot prepared 5 action plans for MoO entities SCOP, SOC, MRC, OPC and SRC and the work starting to undertake procurement reforms packages based on 11 elements to implement
		3- Obtain approvals to implement the plans.	in progress	During this quarter MoO (SCOP, SOC, MRC and OPC) officially approved the proposed procurement action plans by USAID-Tarabot. Tarabot still waiting SRC to approve the action plan
1.3 Improve Projects Execution				

Activity	Activity Name	Task Name	Status	Progress and Comments
1.3.1	Assist MoO in Improving Implementation of 10 Ongoing delayed Projects <i>(Ref: Rapid Assessment – Section 6 “Project Management”)</i>	1- Work with the established higher steering committee to identify up to 10 important delayed Oil projects: a) Nahr Bin Omar field construction - SCOP (Identified in Rapid Assessment report). b) Nitrogen Production Unit (1500 NM3/hr) - MRC <i>Note: list of remaining 8 projects to be provided by MoO.</i>	in progress	During Qtr4, <i>Tarabot</i> Oil Sector team has conducted several meetings with MoO steering committee and Sub committees (including relevant departments) that are related to SoC, SRC, SCOP and MRC to nominate the delayed projects list with MoO and its state companies based on <i>Tarabot</i> workplan. The nominated projects list will be officially approved during the first month of the next quarter.
		2- Develop action plans to resolve specific project issues to expedite implementation through providing consultancy in project management using practical applications based on international standards and using developed systems and procedures according to activity 1.3.2, as applicable.	in progress	<i>Tarabot</i> oil team is working on developing action plan related to "Nitrogen Production Unit (1500 NM3/hr) - MRC" . Once MoO finalizes the final delayed projects list, USAID- <i>Tarabot</i> will finalize these projects action plans.
1.3.2	Assist 6 MoO Entities (SOC, SRC, MRC, SCOP, OPC, IDC) to Implement Project Management Urgent Systems for Delayed and Ongoing Projects <i>(Ref: Rapid Assessment – Section 6“Project Management”)</i>	1-Work with the engineers/technical staff of targeted MoO entities to select appropriate project management techniques and develop action plans for staff training using pilot projects for:		
		a) Feasibility studies guidelines and procedures for refineries, pipelines and storage facilities.	in progress	USAID- <i>Tarabot</i> Project management team is working to develop and finalize the feasibility studies' guidelines and procedures for the refineries, pipelines and storage facilities. Once finalized, these studies should be submitted to MoO sub committees for revision and approval. The next step will be delivering technical assistance to those entities' officials regarding said studies.

		b) Preliminary Tender cost estimation.	in progress	USAID- <i>Tarabot</i> completed Developing materials for the cost estimation of specific projects. These materials were submitted to the MoO committee and were approved. Technical assistance will be delivered during the next quarter.
		c) Detailed project cost estimation.	in progress	USAID- <i>Tarabot</i> Project management team is working to develop and finalize the detailed project cost estimation guidelines. Once finalized, these guidelines should be submitted to the MoO sub committees for revision and to get approval. The next step will be delivering technical assistance to these entities' officials regarding the said guidelines.
		d) Project scheduling	in progress	USAID- <i>Tarabot</i> Project management team is working to develop and finalize the Detailed Project scheduling guidelines. Once finalized, these guidelines should be submitted to the MoO sub committees for revision and to get approval. the next step will be delivering technical assistance to these entities officials regarding to the said guidelines.
		2- Assist the MoO entities to form a working group to develop:	in progress	
		a) Project implementation tracking system	in progress	Develop materials for Project implementation tracking system. These materials should be submitted to the MoO committee for revision and approval.
		b) The “trouble shooting quick guide” to identify and apply common solution	in progress	Develop guidelines for “troubleshooting quick guide” to identify and apply common solution. These guidelines should be submitted to MoO committee for revision and approval.
		c) Upgrade project status report process, templates and	in progress	Develop guidelines for <i>upgrade project status report process, templates and guidelines</i> . These guidelines should be

		guidelines		submitted to the MoO committee for revision and approval.
		d) Secure senior management support for the training action plan and developing the process.	in progress	USAID- <i>Tarabot</i> project management team conducted several meetings with MoO committee, sub committees and the targeted companies to secure the needed support.

1.4 Improve internal policies, regulations and administrative functions

Activity	Activity Name	Task Name	Status	Progress and Comments
1.4.1	Enhance Roles, Responsibilities and Lines of Authorities <i>(Ref: Rapid Assessment – Section 6 “Project Management”)</i>	1- Review MoO roles, responsibilities and lines of authorities of field and senior managers and provide recommendations to senior management.	in progress	USAID- <i>Tarabot</i> Legal and regulatory reform team built strong relationships with stakeholders during the reporting period (fourth quarter) and got the most of required documents and instructions that reflect the responsibilities and authorities of field, which are under review.
1.4.2	Assist MoO to streamline Internal Regulations and Procedures <i>(Ref: Rapid Assessment – Section 7 “Legal and Regulatory Reforms”)</i>	1- Establish MoO task force for each of the following activities: a. Review customs regulations and procedures and advise on simplifications (MoO to facilitate engagement with MoF and customs departments to conduct studies on current regulations governing importing products and to recommend simplifications of procedures and regulatory reforms). b. Review banking system; letter of credit (L/C) procedures and provide recommendations for simplifying the process (MoO to facilitate engagement with MoF, Central Bank and Trade Bank of Iraq/TBI to conduct studies on current regulations governing opening the L/Cs to recommend simplifications of procedures and regulatory reforms). c. Review existing oversight, monitoring and inspection	in progress	USAID- <i>Tarabot</i> Regulatory & Administrative Reform team worked closely with the Legal Depts. in the oil companies, Trade Commissions, Customs Clearance Depts., Letters of Credit Divisions and Contracting Divisions during the reporting period (quarter 4) and got most of the required documents and instructions that need to be revised during this quarter. <i>Tarabot</i> Team and the stakeholders conducted a series of workshops and meetings, and jointly detected the legal issues to be addressed. During this quarter, USAID- <i>Tarabot</i> Oil team will present 2 reports including the problems detected along with the proposed solutions.

		procedures and provide recommendations to develop and streamline the system.		
1.4.3	<p>Assist MoO/SCOP and OPC to Adopt Administrative Reforms</p> <p><i>Rapid Assessment – Section 7 “Legal and Regulatory Reforms”</i></p>	<p>1. Secure commitment of top management to re-develop the Business Process Re-engineering (BPR) at SCOP and the pipelines maintenance and inspection procedures at OPC, and form the BPR task forces (SCOP and OPC).</p>	in progress	<p><i>Tarabot</i> oil sector team has submitted the related action plan to OPC & SCOP high management for revision and approval.</p>
		<p>2- Work with SCOP task force to:</p> <p>a. Review, analyze and identify required improvements within the current Engineering, Procurement & Construction (EPC) project life cycle processes.</p> <p>b. Review the steps undertaken to prepare contract annex for subcontracts awarded by SCOP and provide recommendations to develop the process and its procedures.</p>	in progress	<p>Immediately after USAID-<i>Tarabot</i> got the official approval from OPC & SCOP about the submitted action plans, the technical assistance will be delivered to OPC and SCOP officials to revise, analyze and identify the required improvements, re-design the process of project life circle (EPC), Contract annex, Maintenance and Inspection Procedures .</p>

2. Iraqi Development Management System (IDMS)

2.1 Support the MoP to Adopt IDMS

Activity	Activity Name	Task Name	Status	Progress and Comments
2.1.1	Establishment of the IDMS Help Desk at MoP	1- Develop the organizational structure and Scope of work for the IDMS Help desk and develop standard operating procedure.	in progress	USAID- <i>Tarabot</i> IDMS team is working with the MoP to establish an IDMS Help desk to ensure the system's sustainability. The only remaining obstacle is the availability of the office to establish such a department. <i>Tarabot</i> is working with the MoP to address this issue.
		2- Assist MoP to select and prepare cadre from MoP to manage and operate the IDMS helpdesk.	incomplete	Once the organizational structure and Scope of work for the IDMS help desk developed by USAID- <i>Tarabot</i> is approved by MoP, <i>Tarabot</i> will assist MoP on selecting the IDMS help desk staff.
2.1.2	Government Wide Deployment of the IDMS to 8 entities	1- Support MoP's helpdesk to assist 8 GOI entities to implement the IDMS and to enter their capital investment projects starting from the base line of 2013: a) MoWR b) MoLSA c) MoCH d) MoST e) MoHEd f) Wasit GO g) Diwanyeh GO h) Muthanna GO	completed	USAID- <i>Tarabot</i> IDMS team in cooperation with MoP successfully completed uploading the projects for the 8 targeted entities, all the 8 entities have submitted their projects to MoP for approval, MoP (spectral directorate) have review and approved those projects and they had generated reports in each stage (draft, submitted and approval) to make sure that the numbers of projects, cost, yearly allocated amount and projects name are identical to MoP manual report,

		2- Assist MoP to generate a report from the IDMS on the 8 pilot entities.	in progress	Related to the previous point, after MOP had approved targeted entities projects it's their role now to start updating the projects expense, contracts, reallocation, physical progress and finical progress. Currently we are working with those entities to guide them through the steps to complete the mentioned task; once they complete updating that information we will be able to generate the final report with MOP,
2.1.3	Support the Sustainability and Maintenance of the IDMS	1- Develop the operating procedures for the procurement management module to be added the IDMS.	in progress	In addition, IDMS maintenance project ToR already contain part explain the process of the system upgrade like upgrade charging method and new requirement/upgrade form template.
		2- Provide TA to develop the Service Level Agreement (SLA) for the IDMS.	in progress	USAID-Tarabot IDMS team successfully completed the first part of SLA, the first part was a draft copy of the IDMS maintenance project (ToR), This ToR was submitted to MoP for approval. In addition USAID-Tarabot IDMS team provided the MoP with an IDMS maintenance contract and a legal guide that will support them in issuing the final contract.

3. SSN Program with Kurdistan Regional Government

3.1 MoLSA-KRG HQ and Provincial Branches Capacity Building

Activity	Activity Name	Task Name	Status	Progress and Comments
3.1.1	SSN capacity building for MoLSA-KRG HQ and four central sites	1- Generate the duplication report.	completed	USAID- <i>Tarabot</i> SSN team generated the duplication report and distributed it to all the related sites of KMoLSA.
		2- Generate the Payments report through the system.	completed	KMoLSA ith full support from USAID- <i>Tarabot</i> SSN team generated the first payment report through the system in early October, 2015
		3- Technical assistance and on job operational training provided for the system users and technical at 5 sites.	completed	USAID- <i>Tarabot</i> provided a technical assistance to the SSN system users in 5 related sites through workshops and technical meetings conducted during Qtr4.
		4- Link all sites with MoLSA-KRG HQ	completed	USAID- <i>Tarabot</i> SSN team linked all the related sites to the main server on KMoLSA HQ.

4. Public Procurement Capacity Building within MoP

4.1 MoP capacity building

Activity	Activity Name	Task Name	Status	Progress and Comments
4.1.1	Development of Public Procurement ToT Program	1- Enroll graduates of the ILO training into the MoP's public procurement coaching and training program for Gol entities.	in progress	Due to the delay in the visa process, The ILO training took place during October, 2015. Immediately after ILO participants return back, MoP-DGGC and USAID- <i>Tarabot</i> will enroll graduates of the ILO training into the MoP's public procurement coaching.
		2- Evaluate Performance of ILO Graduates and Provide Feedback to MoP.	in progress	This activity will be done in the coming quarter.

4.1.2	Public Procurement Helpdesk	Continue to assist the MoP helpdesk according to needs and capacity.	in progress	USAID- <i>Tarabot</i> continued providing technical support to the MoP-DGGC HelpDesk on using the consultancy services on the standard bidding documents (SBD's) and delivering technical assistance to Gol entities.
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4.2 Ministries and Governor Offices Capacity Building

Activity	Activity Name	Task Name	Status	Progress and Comments
4.2.1	Implementation of standard bidding documents	1- In partnership with MoP, train an additional 20 Gol officials on SBD's.	completed	During this quarter, USAID- <i>Tarabot</i> PAU in partnership with MoP trained 29 officials (21 Males and 8 Females) representing COMSEQ and MoP.
		2- In partnership with MoP, support the application of SBDs by pilot Gol entities on their tendering activities.	completed	As stipulated in the work plan agreed upon with MoP-DGGC, the MoP carried out capacity building activities assisting various entities such as MoWR, Basrah, Najaf, MoC, etc in implementing standard bidding documents (SBDs) without USAID- <i>Tarabot</i> support.
1.2.2	Comprehensive Capacity building for selected ministries and governor offices (11 elements program)	Continue to provide technical assistance and coaching in partnership with MoP as called for by the respective procurement capacity building plans.	completed	USAID- <i>Tarabot</i> worked with the selected entities to make the public procurement system fully functional (11 elements program). During Qtr4, USAID- <i>Tarabot</i> completed the public procurement capacity building for MoH, MoTr, MoEl, Najaf GO and Basra GO recently, MoP approved the proposed procurement performance indicators and issued an official letter to all Iraqi entities instructing them to implement these indicators.