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IRAQ ADMINISTRATIVE REFORM PROJECT

MONTHLY PROGRESS REPORT JUNE, 2015

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ACRONYMS

COMSEC	Council of Ministers Secretariat
COP	Chief of Party
DG	Director General
DGGC	Directorate General of Government Contracts
DoD	Department of Defense (US)
FAQs	Frequently Asked Questions
FY	Fiscal Year
GO	Governor Office
Gol	Government of Iraq
GPRS	General Packet Radio Service
GPS	Global Positioning System
HQ	Headquarter
IT	Information Technology
KMoLSA	Kurdistan Ministry of Labor and Social Affairs
KRG	Kurdistan Regional Government
MoE	Ministry of Electricity
MoH	Ministry of Health
Mol	Ministry of Interior
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
OJT	On- Job-Training
OPC	Oil Pipelines Company
OPDC	Oil Products Distribution Company
PC	Provincial Council
PCs	Personal Computers
PSC	Private Security Company
Qtr	Quarterly
HR	Human Resource
SBDs	Standard Bidding Documents
SCOP	State Company for Oil Projects
SQL	Structured Query Language
SSN	Social Safety Net
ToR	Terms of Reference
ToT	Training of Trainers
USAID	United States Agency for International Development
USG	United State Government

SUMMARY

In June, USAID-*Tarabot* continued its program of administrative assistance to government entities, predominantly through the provision of hands on training, technical guidance, and specific capacity building strategies. Significant progress was made this month in several areas.

The preparation continues for the Advanced Procurement Training of Trainers (ToT) workshop in Turin, Italy for graduates of USAID-*Tarabot*'s procurement training programs. With the addition of one candidate, the total number of attendees increased to 11; and will be accompanied by one USAID-*Tarabot* expert. These candidates will go on to compile the primary procurement technical advising body for the Ministry of Planning (MoP), advising and guiding future procurement growth and regulatory reform.

Excitingly, this month saw the formal approval of MoP Help Desk by the MoP Director General for Government Contracts (DGGC), Dr. Azhar Hussein. The formalization of this procurement resource utility represents one of the most visible steps of progress in the areas of procurement and regulatory reform. USAID-*Tarabot* and MoP continue to streamline this resource bank and its activities.

Adding to the impressive progress this month, the Oil Sector Rapid Assessment Report was finalized and submitted. The collaboration and cooperation between expatriate advisors, local *Tarabot* staff, as well as government representatives from both countries was a truly encouraging sign of the continued partnership between the Iraqi and U.S. governments. USAID-*Tarabot* staff continues to receive and incorporate commentary and feedback from USAID, constructing a final official report for the Mission and Gol's use in determining potential future aid.

Finally, USAID-*Tarabot* continues to work alongside representatives of the Kurdistan Regional Government to launch the Social Safety Net at the end of July 2015. With the final preparations nearing completion, the teams are hopeful to have everything ready for launch by that time.

Events: USAID-*Tarabot* project engaged in a variety of activities during June. The following breakdown is a disaggregation of the events:

- **Total Events:** USAID-*Tarabot* teams held (75) events; representing (3) workshop and (72) meetings.
- **Locations:** (64) of these events were held at locations in Baghdad, while (4) events were delivered in Basrah, and (7) events in Erbil.
- **Institutions:** a total of (23) government institutions were involved in USAID-*Tarabot* activities in June; representing (22) ministries, and (1) governorates.
- **Tarabot Technical Teams:** (56) events were implemented by Procurement Advisory Unit, (12) events were implemented by Oil Assessment Team, and (7) events were implemented by SSN Senior Advisor in Kurdistan Region.

I. PUBLIC PROCUREMENT CAPACITY BUILDING

As part of its ongoing efforts to improve Iraq's service-oriented capital investments, USAID-*Tarabot* is partnering with the Ministry of Planning (MoP) to support the Government of Iraq (GoI) to make use of its investment budget through fair and transparent procurement systems. These reforms will improve service delivery by lending efficiency and transparency to the procurement process. They will help to create an environment conducive to fair and open competition in the tendering and awarding of contracts, and build the confidence of the private sector in the government's bidding process. In the past, reliance on disorganized, paper-based systems and antiquated processes has hindered the transparency and efficiency of government procurement. The government needs to make concrete reforms to incorporate the expertise of international firms, which the success of complex large projects often rests. USAID-*Tarabot* will work with the MoP to deliver complementary capacity building activities and systems reform with the ultimate goal of establishing unified procurement system aligned with international standards.

I.1 Ministry of Planning Capacity Building

As the chief coordinating entity for public contracting in Iraq, MoP has been a longstanding partner of USAID-*Tarabot* in procurement reform, and is positioned to take the lead on Iraq's national-level procurement reform initiative. USAID-*Tarabot* took steps to prepare the ministry to do so through knowledge transfer and anchoring of sound practices. Procurement training provided for the MoP is bolstered by hands-on experience, as MoP staff partner with USAID-*Tarabot* advisors to jointly conduct workshops and applied trainings for other GoI entities. These ongoing activities are important for MoP staff to garner knowledge about procurement and acquire training skills, which will be critical as the national reform process moves forward.

I.1.1 Development of Public Procurement ToT Program

USAID-*Tarabot* continued coordinating with the International Training Center of ILO in Turin, Italy to arrange the expert-level training course on public procurement for eleven ToT graduates (6 males, 5 females). This training is scheduled from August 31 through September 11, 2015. Contract terms are being discussed with ILO.

I.1.2 Public Procurement Help Desk

This month, MoP Director General for Government Contracts (DGGC), Dr. Azhar Hussein, formally requested that USAID-*Tarabot* begin delivering on-job-training to ministry Help Desk staff, to develop necessary tools and instruments for use in collecting inquiries from GoI entities, and to provide assistance in a timely manner. With the ministers' approval of the structure and functions in place, Dr. Azhar and USAID-*Tarabot* are moving forward to ensure the features of the help desk are available to all Iraqi counterparts as soon as possible.

While Dr. Azhar is working on obtaining office space and equipment for the Help Desk to allow visits from government officials for technical assistance, USAID-*Tarabot* continued mentoring Help Desk staff on legal and technical issues, so they can respond positively to procurement inquiries from GoI entities. This included guidance on:

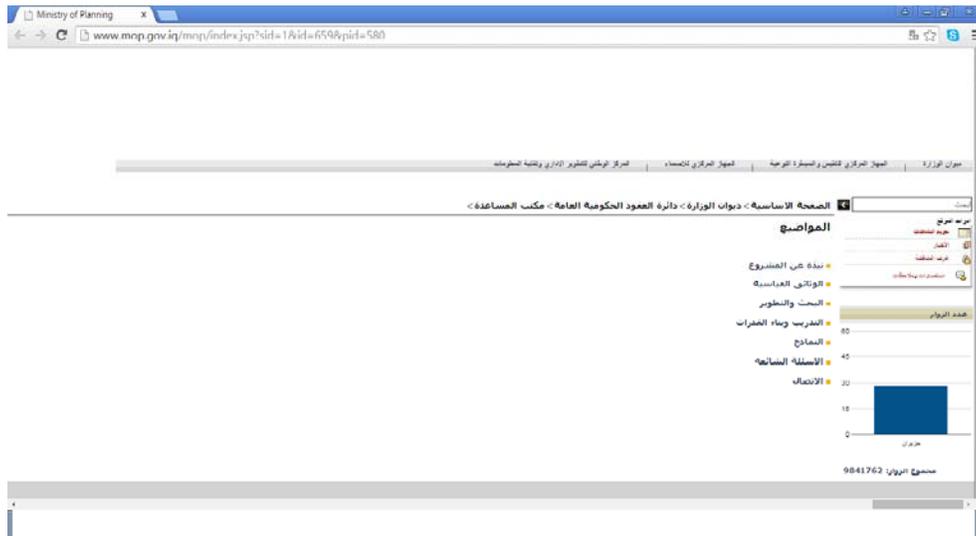
- developing the webpage for the Help Desk
- gathering and categorizing the frequent asked questions and their answerers; an
- developing questionnaire for inquires
- developing standard format for advertising and written notifications of awarding the bid to the contractors

- developing the standard formats for contracts to the three types of bidding documents (supplying goods, execution of works, and non-consultancy services)
- preparing a brief introduction for each type of bidding document

The opening ceremony for the Help Desk is tentatively set for August 5, 2015.

USAID-Tarabot is moving forward with the Help Desk webpage, which is currently being developed by MoP IT department, as part of the ministry official website; much emphasis was put on building a user-friendly webpage for contractors and visitors. The webpage provides useful information such as: role of the Help Desk, standard bidding documents (SBDs), trainings, FAQs, and procurement forms. For more details, please review the link below:

<http://www.mop.gov.iq/mop/index.jsp?sid=1&id=659&pid=580>



*MoP Help Desk Website Interface
(Under development)*

MoP Help Desk continued supporting Gol entities in the following activities:

i. Raising the awareness of Gol Entities on Public Procurement

MoP continued to train Gol entities on procurement regulations according to its training program for 2015. USAID-Tarabot held two workshops at the National Center for Management Development and Information Technology (NCMDIT) in Baghdad.

The first workshop consisted of ten government officials (7 males, 3 females), representing Ministries of Agriculture, Defense, Health, and Industry and Minerals, and Muthanna Governor Office. Bidding documents for supplying goods and turn-key projects were explained to



*Government Officials attend MoP
Training on SBDs*

participants, with Mr. Hamid Abdul Wahab from MoP explaining the prequalification document and criteria.

The second workshop consisted of 24 government officials (19 males, 5 females), where SBDs for execution of works, and evaluating goods and works were explained to representatives from Ministries of Agriculture, Communication, Defense, Health, Industry and Minerals, Municipality and Public Works, Trade, Transportation, and Water Resources, and other Gol entities: Dhi Qar University, Federal Board of Supreme Audit, and Establishment of Martyrs.

As a result of COMSEC's participation in several procurement workshops conducted by MoP, the Training and Development Department in COMSEC requested USAID-*Tarabot* to build the capacity of their engineering staff on conditions for consultancy services, developing Terms of References (ToR), and using SBDs.

ii. Improvements on the Standard Bidding Documents

USAID-*Tarabot* worked with the designated committee from MoP DGGC, to complete the revisions of the SBDs. MoP has now requested USAID-*Tarabot* assistance in translation of the following bidding documents to English:

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

1.2 Ministries and Governor Offices Capacity Building

1.2.1 Implementation of Standard Bidding Documents

Due to financial constraints, no site visits were scheduled this month by the teams of experts for applying SBDs to pilot projects.

1.2.2 Comprehensive Capacity Building for selected Ministries and Governor Offices (11 Elements Program)

USAID-*Tarabot* is currently working with MoP to coach Six Gol Entities (4 ministries and 2 Governor Offices) with Implementing a Comprehensive Procurement Reform Package; this will be in compliance with all procurement requirements including implementation of the following items: Procurement Laws and Regulations, Procurement Department, Have Qualified Procurement Staff, Standard Procurement Process, Procurement Plans, Standard Bidding Documents (SBDs), Procurement Performance Indicators, Archiving system, Reporting on Procurement Activities, Procurement Webpage and Subscription to dg Market.

Activities under this package are implemented according to the agreed-upon action plan between USAID-*Tarabot* and targeted ministry and GO. Progress for each ministry and governor office can be reviewed below:

Ministry of Electricity (MoE)

USAID-Tarabot carried-out a rapid assessment in eight ministry directorates, to assess their procurement activities according to the 11 elements identified above for procurement reform. This came as a result to the agreement made by USAID-Tarabot COP and Mr. Adel Hameed Mahdi, Deputy Minister for Projects. The eight ministry directorates are:

- General Directorate for Power Production Projects
- General Directorate for Gas Production Projects
- Contracts & Investment Directorate at ministry HQ
- General Directorate for Power Production/ Central Region
- General Directorate for Electricity Distribution/ Al Kharkh Distribution
- General Directorate for Electricity Distribution/ Al Rusafa Distribution
- General Directorate for Power Transmission Projects
- General Directorate for Electricity Distribution Center

USAID-Tarabot submitted findings of the assessment to the Deputy Minister for review, and then to the Minister. The ministry is planning to meet with stakeholders above to discuss the findings and draw-up an action plan for improvements.

In the meantime, USAID-Tarabot continued its technical assistance to the ministry Contracts and Investment Directorate. This month, USAID-Tarabot provided guidance on the four projects that are under payment in credit, in accordance with regulations. These projects are:

- Supplying cables (project under study)
- Supplying towers lines (project announced with closing date June 22, 2015)
- Supplying fuel (project cancelled)
- Supplying, installing and operating project (in the stage of preparing the bidding documents)



Assessment Questionnaire completed by Trade Section Manager for Karkh Distribution Directorate

Ministry of Health (MoH)

This month, USAID-Tarabot COP and Procurement Advisors met with the Deputy Minister of Health, Contracts Manager, and Projects and Engineering Services Director where they reviewed the progress achieved by the ministry according to the 11 elements identified by USAID-Tarabot for procurement reform. The meeting resulted in USAID-Tarabot assisting the ministry in in-depth practicing of procurement tools, processes and plans. The ministry had also requested assistance in providing consultation on projects that are lagging from procurement aspects.



MoH Contracts Manager review list of projects that are lagging

Based on the results of the meeting above,

meetings were conducted with the Follow-up Department Manager to compile a list of ministry projects that are lagging in implementation. Once completed, consultation will be provided on how to overcome the problems from procurement aspects.

Additionally, USAID-Tarabot continued assisting the Contracts Department in drafting its first procurement report. The hand written information is being reviewed and cleansed before developing the report electronically.

To comply with MoP structure and staffing for exercising procurement functions, this month four employees transferred from other ministry departments to the Contracts Department. This came as a result of USAID-Tarabot on-going technical guidance and encouraging the Contracts Department Manager to request additional staff to improve procurement performance in the ministry.

Finally, procurement performance indicators were presented to the ministry Contracts Department Manager. The purpose of using performance indicators was explained, in addition to the effectiveness of each indicator, and how they reflect the performance of each procurement phase.

Ministry of Oil (MoO)

The State Company for Oil Projects (SCOP) is the main beneficiary of USAID-Tarabot technical support. This month, USAID-Tarabot completed training committee members on applying SBDs on the selected pilot project “Delivery of Fuel Oil to Al-Haritha and Al-Najeebiya Power Stations”. The committee members were assigned by SCOP DG and consist of representatives from various departments (contracts, project management, Legal, Purchasing, Follow-up).



SBDs developed for Project “Delivery of Fuel Oil to two Power Stations”

Ministry of Transportation (MoTr)

Work with the Ministry of Transportation this month focused on:

- technical issues regarding the data special conditions in the SBDs of supplying goods
- the ministry’s application of standard procurement process. The ministry had informed all its directorates to continue applying standard procurement process, with emphasis on complying with the timeframe for each phase in the process

Additionally, discussions were carried-out with the DG for Contracts and Licenses, and his deputy, on how the ministry can influence the transportation and exportation of oil by working jointly with the Ministry of Oil.



MoTr DG for Contracts & Licenses discuss how the ministry and influence transportation and exportation of oil

In the meantime, the ministry is planning to hold an opening ceremony for its on-line program that allows ministry directorates to update their procurement plans under supervision from the ministry.

In April 2015, the ministry presented this system to a team of experts from MoP, and they acknowledged its positive impacts it can have on government entities. The team of experts will promote this system, and will discuss with authorities at MoP for broader application. The opening ceremony will tentatively be held in August.

Basrah Governor Office

USAID-Tarabot followed-up with Basrah GO on the following elements:

- **Standard Bidding Documents (SBDs)**

Ms. Saja Ammer Ibrahim, a graduate from USAID-Tarabot ToT program, delivered training to five government officials from Basrah Contracting Directorate on the three types of SBDs (supplying goods, execution of works, prequalification). Basrah has moved forward with giving training responsibilities to its ToT graduates to educate other staff on SBDs



Basrah ToT Graduate delivers SBDs training to Basrah Contracting Directorate staff

Additionally, the Contracting Directorate developed SBDs for the project “Al Zubair Bridge”, announced the tender, and awarded to an Italian international company. Signing the contract depends on the releasing of assigned funds from Ministry of Finance.

- **Reporting on Procurement Activities**

The Deputy Contracts Manager for Legal Affairs has drafted an internal memo to the Governor to instruct all the departments to participate in developing procurement reports. Each department (Accounting, Project Management, Contracts, Quality Assurance, and Bids Opening Committee) is currently developing its own internal report for submission to the Governor. Over the past few months, USAID-Tarabot has encouraged the Contracts Department to take the lead in combining the efforts for all the departments to develop monthly procurement reports. USAID-Tarabot delivered a technical guidance and introduced a reporting template to facilitate the process.

- **Procurement Performance Indicators**

The Contracting Directorate is using 13 out of the 14 procurement performance indicators recognized by MoP. Although no official instructions from MoP have been issued to re-activate the use of these 14 indicators, the Contracting Directorate team of consultants conducts weekly or monthly reviews of these indicators; the indicators are aligned with the regulations for implementing government contracts issued by MoP.

2. OIL SECTOR ASSESSMENT

This month, USAID-Tarabot completed the final Rapid Assessment Report for Iraqi Oil Sector, and submitted to USAID for review and comments. Before its submission, USAID-Tarabot Oil Team engaged with designated committees and senior officials from the Ministry of Oil (MoO), and targeted ministry directorates; to further enhance and improve the assessment report.

In one of the meetings, discussions focused on procedures for reviewing and prioritizing project, problems in exporting pipelines, the Gulf Pipeline proposals, developing investment plans for upgrading Basrah and Al Doura Refineries, and assess operations and recommend improvements. This meeting was led by Deputy Minister, Mr. Fayyad Hasan Nima, and attended by:

- Mr. Dheyaa Jaffar/ Deputy Minister for Refinery Issues
- Mr. Moatasseem Mohammed/ Deputy Minister for Liquid Petroleum Gas (LPG) Production and Distribution
- Mr. Saadi Al Dujali/ Economic and Finance Deputy Director
- USAID-Tarabot Oil Team

Similarly, the analytical study on the procurement system for State Company for Oil Products (SCOP) was discussed with Dr. Ihsan Al-Attar/ Head of Steering Committee.

With the completion of the rapid assessment report, USAID-Tarabot Oil advisors have begun developing draft work plans for each function that translate the findings and recommendations of the assessment into actions and targeted results. Additionally, USAID-Tarabot is coordinating with to develop a presentation that summarizes the findings and recommendations of the assessment for the Deputy Minister, Mr. Fayyad Hasan Nima.

In the meantime, USAID-Tarabot Oil team engaged with the Oil Pipeline Company (OPC) to collect information on increasing oil production and revenues. Meetings were conducted with Mr. Raad Rafeeq, DG of OPC to explain the purpose of Tarabot oil study. The DG formed a committee to coordinate with Tarabot, and contribute to the oil study. This committee consists of managers from the Legal Division, Procurement Division, Training Department and Quality Unit. The assessment began with a review to the systems and procedures in three functions: procurement, project management, and organization development.



Upgrading the capacity of Basrah and Al Doura Refineries are discussed with MoO



Committee Members from SCOP review draft assessment report for Organization Development



Initiating an assessment for Oil Pipelines Company

3. SOCIAL SAFETY NET (SSN) PROGRAM WITH KRG

Under this extended initiative, USAID-Tarabot is working closely with the KRG Ministry of Labor and Social Affairs (KMoLSA), and its four main sites in Erbil, Dahuk, Sulaymaniyah and Garman to link and activate the SSN system. Joint activities continued this month, to successfully reach the goal of launching the SSN system in KRG by the end of July 2015:

- **Improving internet connectivity at the ministry HQ and SSN sites**

After resolving the internet issues, visits were made to Dahuk Social Welfare site to check the internet connectivity and fix any problems. As a result, all the routers are to be brought back to the ministry for testing

Similar visits will be made to Sulaymaniyah and Garman Social Welfare sites in July; with the internet provider to assess both locations for supplying internet

- **Data cleansing of current records, by removing duplicate records, completing missing information, and performing corrections**

USAID-Tarabot SSN Advisors began generating reports for duplicate records using the newly updated databases for each site. The Minister is planning to inform the beneficiaries of the SSN system through media outlets that the ministry will stop the payments for beneficiaries with incomplete information

- **Building the capacity of ministry staff in using the new SSN system**

On-job training on 2008 SQL Servers was delivered to 15 government officials (9 males, 6 females) representing the ministry and social welfare staff (Erbil, Sulaymaniyah and Garman). This training is part of the SSN infrastructure development, and participants received Certificates of Completion

The next step is to deliver OJT for reinstalling domain Controller; scheduled early July

- **Moving SSN Server for Erbil Social Welfare site to the new building**

USAID-Tarabot completed relocating the SSN server for the Erbil social welfare site to the new building. System installation, configuration and connection to the ministry HQ SSN server were successfully completed.



SSN software installation for Erbil Social Welfare



Connecting Koya Social Welfare site (branch) with Erbil Social Welfare site (main)

- **Connection of branch or sub-site to the main site**

USAID-*Tarabot* successfully completed connecting the Soran social welfare site (branch) to Erbil social welfare site (main), and connecting the Koya social welfare site (branch) to the Erbil social welfare site (main). Both systems and connections were tested successfully, and staff resumed work normally without any interruptions

Similar visits will be made in July to the Social Welfare branches (sub-sites) for Sulaymaniyah and Garman; to connect their SSN system with the main sites of Sulaymaniyah and Garman

- **Data migration of SSN records from the old database to the new database**

The newly developed SSN database at the ministry is in the final stages of completion. Cleansed data will be migrated to this new SQL database

Lastly, USAID-*Tarabot* is coordinating with the Director of Public and Foreign Relations to prepare SSN materials and documents for the opening ceremony.

PROJECT ADMINISTRATION

Staffing, Deployment, Registration

During the month of June 2015, 39 project staff remained, while 4 staff are being processed for hiring. William Rich/ Director of Compliance arrived from MSI HO and is serving as Acting COP, until Nael Shabaro returns from R&R.

USAID-*Tarabot* continued engaging with GoI entities throughout the holy month of Ramadan despite the Iraqi Government reducing working hours to 2 PM.

Security

The security situation in Iraq was tense this month with ongoing fighting in the north and west of Iraq, and continued explosions and attacks in Baghdad. Military operations are still ongoing by the Iraqi Forces with the assistance of the Coalition Forces, to fight-off the Islamic State in Iraq and Syria (ISIS). Most significantly, military activities in the cities of Baji and Ramadi have been the most significant. This has not affected *Tarabot* operations in Baghdad.

Property

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 MoI 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 GOI or exported from Iraq; not turned over to another entity within Iraq.

Acting COP is seeking additional guidance from USAID on how to proceed.