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# USAID IRAQ ADMINISTRATIVE REFORM PROJECT

MONTHLY PROGRESS REPORT, JANUARY 2015

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## ACRONYMS

|        |   |
|--------|---|
| COMSEC | Council of Ministers Secretariat                                      |
| COSQC  | Central Organization for Standardization and Quality Control          |
| DGGC   | Directorate General of Government Contracts                           |
| GoI    | Government of Iraq  |
| KRG    | Kurdistan Regional Government   |
| MoA    | Ministry of Agriculture   |
| MoC    | Ministry of Communication   |
| MoCH   | Ministry of Construction & Housing                                    |
| MoDM   | Ministry of Displacement & Migration                                  |
| MoE    | Ministry of Electricity   |
| MoEd   | Ministry of Education   |
| MoEn   | Ministry of Environment   |
| MoF    | Ministry of Finance   |
| MoH    | Ministry of Health  |
| MoHE   | Ministry of Higher Education  |
| MoIM   | Ministry of Industry & Minerals                                       |
| MoJ    | Ministry of Justice   |
| MoLSA  | Ministry of Labor & Social Affairs                                    |
| MoMPW  | Ministry of Municipality & Public Works                               |
| MoO    | Ministry of Oil   |
| MoP    | Ministry of Planning  |
| MoT    | Ministry of Trade   |
| MoTr   | Ministry of Transportation  |
| NCMDIT | National Center for Management Development and Information Technology |
| NGO    | Non-Governmental Organization   |
| PMAC   | Prime Minister's Advisory Council                                     |
| SBDs   | Standard Bidding Documents  |
| SCOP   | State Company for Oil Projects  |
| SSN    | Social Safety Net   |
| ToT    | Training of Trainers  |
| USAID  | United States Agency for International Development                    |

## SUMMARY

USAID-Tarabot continued to provide assistance to a range of Government of Iraq (GoI) partners in the application of internationally recognized procurement processes, through both hands-on training and workshops. Work is underway to broaden the precedent set by GoI partners piloting the modern procurement techniques learned from Tarabot.

As a key measure of Tarabot's strategy to secure the procurement initiative's sustainability, a range of capacity building assistance started for the Ministry of Planning (MoP). This includes direct training, as well as by including Ministry of Planning procurement officers as trainers and advisors in workshops and technical assistance provided to other GoI entities. The enthusiasm with which the ministry has taken up its role as the oversight body for procurement in Iraq is palpable and an encouraging sign for long-term sustainability.

The Ministry of Planning has launched the national procurement ToT program this month with its first workshop on basic procurement concept. USAID-Tarabot and the Ministry of Planning's Directorate General for Government Contracts (DGGC) are building the capacity of **30** government officials; participating in this 10 day workshop. Additionally, the Ministry of Planning has developed a procurement capacity building training plan for 2015 consisting of **25** courses, and inviting targeted government officials to participate in these workshops, which will be held at the ministry. These workshops will be given jointly with USAID-Tarabot.

Field visits to GoI entities applying standard bidding documents on the pilot projects commenced this month. According to the Ministry of Planning schedule, **12** ministries and **5** Governor Offices were selected. Each field visit is carried out by a team of experts from the Ministry of Planning and Tarabot. The teams covered **4** field visits in January. This will be hands on training for MoP staff in addition to assisting the GoI entities with the application of the bidding documents.

**Events:** USAID-Tarabot project engaged in a variety of activities during January. The following breakdown accounts for the numbers and types of events:

- **Total Events:** USAID-Tarabot teams held **(57)** events; representing **(2)** workshops and **(55)** technical meetings. This brings the total to **(171)** events implemented since the beginning of the extension.
- **Locations:** **(47)** of these events were held at locations in Baghdad, while **(10)** events were delivered on location in **(3)** provinces.
- **Total Number of GoI officials:** a total of **(77)** government officials were trained representing **(50)** males and **(27)** females.
- **Institutions:** **(46)** of these events were with **(16)** ministries; **(10)** events supported **(3)** governorates; and **(1)** event supported both ministries and governorates (ToT workshop). Additionally, representatives from **(12)** GoI directorates participated in these events.

# PUBLIC PROCUREMENT REFORM

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, the transparency and efficiency of government procurement has been hindered by reliance on disorganized, paper-based systems and antiquated processes. The government needs to make concrete reforms in order to bring the expertise of international firms upon which the success of complex large projects often rests. USAID-Tarabot works 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.

## 2.1 Capacity Building for the Ministry of Planning

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. Tarabot has taken 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 Tarabot advisors to jointly conduct workshops and applied trainings for other GoI entities. These ongoing activities are important opportunities for MoP staff to garner knowledge about procurement and acquire training skills, which will be critical as the national reform process moves forward.

Significant progress has been made by MoP in taking the lead on Iraq's national-level procurement reform initiative. With the assistance of USAID-Tarabot, the ministry launched the national procurement ToT program with its first workshop on basic procurement concept. USAID-Tarabot and the Ministry of Planning's Directorate General for Government Contracts (DGGC) are building the capacity of **30** government officials (**16 males, 14 females**); participating in this ten-day workshop held at the National Center for Management Development and Information Technology (NCMDIT). **18** government officials are from Ministry of Planning. **12** participants from **3** ministries (Construction and Housing, Municipality and Public Works, and Water Resource) and **4** Governor Offices (Babil, Baghdad, Basrah and Muthanna).



*ToT training on basic procurement concepts continues to selected GoI officials*

An article on the ToT workshop was published in the weekly newsletter issued by MoP.

A procurement capacity building training plan for 2015 was developed by the ministry consisting of **25** courses. Government officials can receive training at the National Center for Management Development and Information Technology (NCMDIT) with the assistance of USAID-Tarabot.

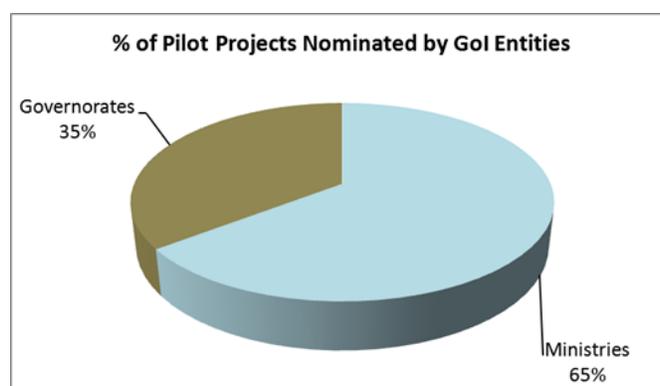


Contracts department. Discussions focused on moving forward with implementation of the action plan agreed with the ministry, and applying SBDs to selected pilot projects according to MoP schedule. A committee will be established consisting of representatives from all the departments to begin applying SBDs to selected pilot projects.

Lastly, Tarabot engagement with MoO SCOP is done through the newly formed committee which consists of **14** government officials. This committee was established to coordinate with Tarabot on all procurement activities, including applying standard bidding documents on two nominated pilot projects. A site visit was conducted to the MoO/ Al Doura Oil Refinery (Midland Refineries Company), where a meeting was conducted with the manager and deputy of warehouse and purchasing department. The purpose of the meeting was to begin assessing the procurement process and as a result, an action plan will be developed.

## 2.3 Capacity Building to Gol Entities

USAID-Tarabot and MoP are laying the groundwork for much broader expansion in the piloting of SBDs by ministerial and provincial partners. This will improve the already strong precedent for successful application of the procurement processes promoted by Tarabot. Tarabot and MoP concentrated much of their efforts on expansion of standard bidding documents application through technical support and implementation of site visits to selected piloted procurements.



Many government partners are now actively capitalizing on the skills learned through these workshops and trainings, with **26** Gol entities having nominated a total of **113** procurement contracts.

Site visits to Gol entities applying SBDs commenced this month. Each field visit is carried out by a team of experts from the Ministry of Planning, and from Tarabot's team. As of late January, the teams covered **4** field visits to Ministries of Industry and Minerals, Finance, Construction and Housing, and Labor and Social Affairs. Hands-on technical support was provided on the following projects:

| Gol Entity                                  | Name of the Project (Procurement Contract)                              | Location  | Estimated Cost |
|---|---|-----------|----------------|
| Ministry of Industry and Minerals (MoIM)    | Supplying line production for UPVC pipes with 350-1000mm diameters      | Baghdad   | \$4 Million    |
|   | Installing sand screening, washing and filtering plants                 | Baghdad   | \$2 Million    |
| Ministry of Finance (MoF)                   | Supply, install and operate three instruments for storing staff records | Baghdad   | N/A            |
| Ministry of Construction and Housing (MoCH) | Construction of a residential complex for Diwaniyah Martyrs Foundation  | Diwaniyah | \$200 Million  |
|   | Supervision services for the execution of a boarder road                | Muthanna  | N/A            |
|   | Construction of houses to accommodate ministry staff in Diwaniyah       | Diwaniyah | \$3 Million    |

The Ministries of Industry and Minerals, Finance, and Construction and Housing have completed SBDs for their projects specified above. They now have tenders ready for announcement.

USAID-Tarabot continued to support Gol entities in improving procurement functions. Technical assistance was provided to the Ministry of Communication to prepare for the application of SBDs to three nominated pilot projects. The ministry had requested from MoP to translate some SBDs into English, since two of the nominated pilot projects, preparing visibility study for the fourth national network license, and the Iraqi satellite project require inviting global companies to bid for the projects. Earlier this year, MoP asked Tarabot to assist in translation of procurement documents related to execution of government contracts, and supplying goods.



*Ministry of Planning and Tarabot assist Ministry of Industry staff in applying SBDs*

Lastly, a meeting was conducted with Karbala governor office contracts manager. Guidance and assistance was provided on improving the governor office webpage for contracting, including the structure of the contracts department, tender announcements and awards, and general information useful for the contractors. The option of announcing tenders on the dgMarket was also explored.

## **2.4 Political Economic Analysis**

USAID-Tarabot began a comprehensive study on the oil sector in Iraq. Lead by a team of experts meetings were conducted with oil consultants from the private sector, and Ministry of Oil/ State Company for Oil Projects (SCOP), where discussions focused on the problems and challenges in the Iraqi oil sector. Further discussions with private sector firms were on oil evacuation plan, developing oil refineries, investments, procurement current regulations and instructions, and possible solutions to increase oil production and exports from the southern oil fields in Iraq.

A three day site visit assessment was conducted to the Ministry of Oil/ Al Doura Oil Refinery (Midland Refineries Company). On the first day, the oil team met with the director general of the Midland Refineries Company, where official approval was obtained to carry-out the assessment and study. Both deputy directors for administrative and technical affairs were present at the meeting to coordinate and facilitate meetings with other departments.



*Site visit assessment to Al Doura Refinery*

On the second day of the visit, a meeting was conducted with the deputy director for technical affairs, where general information was collected on all four refineries (Doura, Diwaniyah, Najaf and Samawa) managed by the Midland Refineries Company. Information on the designed production capacity, actual production capacity, crude oil production, and the manufacturing of oil products were the focus of the discussion.

On the final day of the visit, the oil team met with the managers of the studies department and project management department. Relevant information was provided on the criteria for selecting capital projects, future plans, challenges in implementation of projects, and current status of oil derivatives in Iraq.

As a conclusion, the Midland Refineries Company provided Tarabot with reports and studies that can be used as part of the assessment.

# PROJECT ADMINISTRATION

## Staffing, Deployment, Registration

Currently, USAID-Tarabot is composed of one expatriate and 26 Iraqi national. Two expatriate from HO were in Iraq on STTA during this month. Two Iraqi nationals were hired to work as part of the team of experts assembled by Tarabot to execute the oil sector assessment and study.

## Security

The security situation in Iraq during this month was tense, with ongoing fighting in the north and west of Iraq and continued explosions and attacks in Baghdad. A particular incident occurred at the Baghdad International Airport on Monday Jan. 26, 2015, where late evening unknown fire targeted Fly Dubai as it was landing at the airport. This caused damage to the plane and as a result, some airlines suspended travel to Baghdad.

Two official holidays were announced by the Gol, Iraqi Army Day and Prophet's Birthday. With the exception of these two-day holidays, Tarabot staff worked normally and did not take additional holidays.

## Close out

With USAID approval, IT equipment was transferred to:

- USAID - FORAS project/Iraq. This include 5 laptops and 4 cameras
- United States Department of State Bureau of Democracy, Human Rights, and Labor (DRL) - TAKATUF project. This include data show projector, five Win7 Pro license, hard disk, color printer and 6 scanner

## Badges/Visas

In January, the Gol returned to the old procedures for multi visa usage. Visas can now be used at the convenience of the holder within the period of validity. Last month, visas had to be used within 90 days of issuance no matter the period of validity on the visa itself.