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# IRAQ ADMINISTRATIVE REFORM PROJECT

## MONTHLY PROGRESS REPORT NOVEMBER 2015

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## ACRONYMS

BIAP	Baghdad International Airport
BPD	Barrel Per Day (Oil)
CCR	Continuous-generation Catalytic Reforming unit
COMSEC	Council of Ministers Secretariat
COP	Chief of Party
DG	Director General
DGGC	Directorate General of Government Contracts
EPC	Engineering, Procurement, and Construction
FY	Fiscal Year
GO	Governor Office
Gol	Government of Iraq
GPS	Global Positioning System
HQ	Headquarter
IDC	Iraqi Oil Drilling Company
IDMS	Iraq Development Management System
IED	Improvised Explosive Device
IG	Inspector General
INMS	Iraqi National Monitoring System
IQD	Iraqi Dinar
ISF	Iraqi Special Forces
ISO	International Organization for Standardization
IT	Information Technology
LC	Letter of Credit
MLDW	Mobil Lube De-waxing Process
MoFA	Ministry of Foreign Affairs
Mol	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
OD	Organization Development
OJT	On- Job-Training
OPC	Oil Pipelines Company
PKK	Kurdistan Workers' Party
PSC	Private Security Company
RFP	Request for Proposal
SBDs	Standard Bidding Documents
SCOP	State Company for Oil Projects
SOC	South Oil Company
SPP	Standard Procurement Process
SRC	South Refineries Company
ToR	Terms of Reference
ToT	Training of Trainers
UNDP	United Nation Development Program
USAID	United States Agency for International Development
USG	United State Government

## SUMMARY

**Oil** During this reporting period, USAID-*Tarabot* continued its support to the Ministry of Oil (MoO), pursuing practical solutions to difficulties in project implementation and contracting. USAID-*Tarabot* is also supporting the organizational development of contracts departments from select ministries. Coordination continues with these directorates to clarify and improve the roles, responsibilities and lines of authority within MoO. Additionally, USAID-*Tarabot* is reviewing outdated, harmful, and contradictory laws, regulations, and instructions with the aim of transferring powers from higher to lower levels of the bureaucracy.

**Procurement** USAID-*Tarabot* supported the Ministry of Planning (MoP) Help Desk and select Gol entities to apply performance indicators in their procurement reporting.. This lays the foundation for continued improvement in the procurement process by establishing concrete milestones for reform.

USAID-*Tarabot* followed-up with the MoP on the Training of Trainers (ToT) program conducted last month. Participants are now well prepared to reinforce the sustainability of *Tarabot's* procurement reform through ongoing training to Gol entities on a range of procurement processes. The resulting transparency promises to foster greater economic stability and increase international investment. This month *Tarabot* worked with the MoP in preparation of an annual plan for the training of Gol entities to be implemented by those who participated in the ToT program.

**Iraq Development Management System** The MoP continues the rollout of the Iraq Development Management System (IDMS). The system enhances transparency and efficiency in the management of the nation's capital investment portfolio. USAID-*Tarabot* and the MoP IDMS team are in the final phase of evaluating the features of the IDMS, generating reports and working with stakeholders to address deficiencies.

**Events:** USAID-*Tarabot* engaged in a variety of activities during November:

- **Total Events:** USAID-*Tarabot* teams held 116 events; representing 10 workshop and 106 meetings.
- **Locations:** 78 of these events were held at locations in Baghdad, while 38 events were delivered in Basrah.
- **Institutions:** a total of 4 government institutions were involved in USAID-*Tarabot* activities in November; representing 4 ministries.
- ***Tarabot* Technical Teams:** The Procurement Advisory Unit implemented 6 events to support the Ministry of Planning, 98 events were implemented by the Oil Sector Team, and 12 events were implemented by the IDMS Team.

# I. RAPID IMPROVEMENTS OF THE OIL SECTOR REVENUES

During this month USAID-Tarabot continued moving forward with the implementation of its technical assistance program to Ministry of Oil (MoO) and its state companies by identifying and implementing high-priority interventions with the potential to bolster oil revenues.

## I.1 Implementation of Critical Projects

### I.1.1 Provide Technical Assistance to MoO to Expedite and Improve the Implementation of Projects

This month USAID-Tarabot conducted several meetings with South Oil Company (SOC) and with the General Company for Ports of Iraq (GCPI) to discuss a project related to weather outages that impact the transport of oil. To this end, USAID-Tarabot provided technical assistance on the application of standard prequalification documents in the procurement of six new high specification tugboats. An invitation will be sent to international tugboat manufacturers to submit their applications for prequalification once the documents and necessary internal approvals are ready.

USAID-Tarabot advisors conducted a field visit to the Iraqi Southern Oil Terminals, Khor Al Amaya Oil Terminal (KAAOT), Al Basrah Oil Terminal (ABOT) and Single point moorings (SPM) 1, 2, 3 and 5. This site visit was arranged by SOC and the General Company for Ports of Iraq (GCPI) to identify the problems causing the rough weather outages including technical, economic and organizational in order to identify specific targeted recommendations and interventions that can assist SOC to decrease rough weather outages in short space of time. USAID-Tarabot observed the oil operating procedures for both berthing and mooring at the southern terminal as well as held multiple technical interviews with SOC and GCPI senior management.



During this site visit, a meeting was conducted between USAID-Tarabot and SOC officials Mr. Najem Abdulaa Al-Rubae, Manager of Marine Department, Mr. Khalil Hantoush Daoud, Operations Manager of Basrah Oil Terminal, as well as representatives from the Iraqi ports company, Mr. Modar Abd Ali Mohammad, DG of Navigation for the General Company for Ports of Iraq, and Mr. Bayaan Hameed, Senior Captain of the General Company for Ports of Iraq. During these meetings, the attendees discussed the notes that were taken during the site visit to Iraqi Oil Terminals (KAAOT, ABOT & SPMs) and agreed to implement of the program of training for the pilots and ports captains on docking, sailing and loading operations.



A formal request from SOC staff was delivered to USAID-Tarabot to start the training process, and, as a result of this meeting USAID-Tarabot published an announcement on the U.S. government's Procurement Information Bulletin website to seek an international accredited marine training institution, a university, or a firm that may be interested in conducting a recertification and rough weather "best practices" training for marine and operations staff of the South Oil Company(SOC) and the General Company for Ports of Iraq (GCPI).

Finally, USAID-Tarabot submitted the assessment report and recommendations of the weather outages to both the SOC and GCPI.

### 1.1.2 Improve MoO capacity in implementation of Technically Challenged and Troubled Refinery Projects

**MRC** USAID-Tarabot received an official letter from the Head of Project Department at Midland Refinery Company (MRC) authorizing USAID-Tarabot to start the process of putting a cost estimate for Catalytic Reforming Unit CCR. This led to a discussion between UOP Company and USAID-Tarabot which revealed the difficulty of starting the cost estimate process unless UOP give the permission to sign the Non-disclosure Agreement (NDA) to receive the project data.



Additionally, USAID-Tarabot submitted an official letter including the USAID-Tarabot recommendations to the DG of MRC, Mr. Saad Noori, regarding the online cleaning of the Crude Unit I Heater. This recommendation includes also the cost of this process which will be \$200,000. The implementation of this process will add 13,000 Barrels/Day to the refinery's production capacity.

**SRC** USAID-Tarabot met with SRC Director General Mr. Mahmood Alluabi and Director General of Utilities Mr. Abdulmotalab Fahdad. The DG explained that finding a solution for dealing with the poor quality of river water in Shatt Al-Arab is now a priority for the SOC.

The USAID-Tarabot team proposed the following two solutions to fix this problem:

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

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

Mr. Abdulmotalab submitted to USAID-Tarabot a diagram of the current and future water and boiler systems. He explained that the salinity of the Shatt Al-Arab has increased because Turkey has built some dams and less water flows to the Persian Gulf, causing the Gulf to backflow into the river.



Members of his team reported that condensate recovery is poor, less than 20%. Mr. Abdulmotalab updated USAID-Tarabot on the project for the 3x100 T/hr boilers. These boilers' foundations have been installed and only a small amount of work remains. He asked USAID-Tarabot to provide assistance in estimating the cost to finish the project and in communicating with Nebraska Boilers.

USAID-Tarabot team informed the SRC regarding the instructions from the MoO to build a dehydrator to remove water and salt. They explained that this would not work because the water in

the crude is very low. Mr. Ibrahim explained that he would like to receive a report from USAID-Tarabot team about this subject as soon as possible.

Additionally, a technical meeting was conducted between USAID-Tarabot and the SRC Process Engineer, Mr. Salman Al-Ukilly. Mr. Salman gave USAID-Tarabot information about the problem of the excess salt in crude. USAID-Tarabot team obtained data on salt and water measurements in crude and chloride, and iron measurements in water from the tower top. The USAID-Tarabot team also discussed the Flare Gas Recovery project with Mr. Salman and explained to him that the SRC's idea was incomplete if they want to recover liquid gas.



The participants discussed an alternative whereby the recovered liquids are sent to the CDU-I and CDU-2 overhead for further treatment. They also discussed the new Reformer Spare Parts issue. The reformer is running well now, but is limited to 90% of design capacity due to a pump problem and South Refinery Company has prepared a tender for the needed spare parts. USAID-Tarabot asked SRC to provide more information about the pump to find a solution to increase the capacity of the reformer.

Another meeting was conducted between USAID-Tarabot with Laboratory Director Mutaz Hussain. He showed USAID-Tarabot the method for analyzing salt in crude. USAID-Tarabot asked him to use the centrifuge to remove the water from the crude and then measure the salt again. USAID-Tarabot also saw the crude unit's overhead water is clear and does not contain corrosive products. It is possible that the lab tests results had been erroneous, which led to incorrect conclusions.



**SCOP** USAID-Tarabot met with Mr. Mohamed Ahboud of the Projects Department. He updated the team on the Isomerization Project. Mr. Mohamed went to Dubai and met with David Fay of UOP to sign a contract for the catalyst. He asked USAID-Tarabot to help them with the Letter of credit (L/C), which could take three months. The catalyst will take six months to manufacture after the L/C is received. SCOP is doing the construction, but with only one 8-hr shift per day. It will take 15 months to complete the construction at this pace. Also they asked USAID-Tarabot to help with the scheduling task.

## **I.2 Improve MoO Procurement Procedures and Processes**

### **I.2.1 Develop Standard Bidding Documents (SBD) for the Oil Sector**

This month USAID-Tarabot along with the MoP continued working toward issuing the Ministry of Oil's SBD. A meeting was conducted in which Dr. Azhar, DG of DGGC, approved to send a committee to Basrah, represented by Mr. Ihsan Jassim and Mr. Abdulsalam Abbas, Deputy of Chief Engineer, to meet with SOC and SRC's officials in order to finalize the draft of the Oil sector SBD. Regarding this issue, USAID-Tarabot conducted a technical round table with a South Oil



Company (SOC) subcommittee and associated staff to explain the SBD topics, and how each table should reflect SOC procurement needs on the SBD of the oil sector.

The USAID-*Tarabot* Procurement Advisor explained the benefits of reflecting the SOC's requirements on the international document in order to ensure a competitive and transparent process.

Another meeting was conducted between USAID-*Tarabot*, the visiting MoP DGGC committee, and Head of the South Refinery Company's subcommittee in order to discuss the procurement requirements of the company to be included on the SBD of oil sector. It was agreed to conduct a one-day round table with SRC subcommittee members and relevant staff to discuss outstanding issues regarding this Oil sector SBD.

Additionally, USAID-*Tarabot* delivered soft copies of the SBD to be reviewed and approved by the SRC, the feedback will be submitted to USAID-*Tarabot* according to the company procurement requirements to be reflected on the SBD.

Another, USAID-*Tarabot* conducted a technical meeting with MoP--DGGC committee to discuss the results of the SOC and SRC visits regarding the specialized SBD's for oil sector. They all agreed to conduct site visits to MRC, OPC and SCOP to follow up on their feedback and comments regarding these documents.

Finally, meeting was conducted this month between USAID-*Tarabot* and the Ministry of Oil's Inspector General's office's Procurement section manager to discuss the results of USAID-*Tarabot* and MoP-DGGC visits to the MoO companies to collect the relevant procurement needs that will be reflected to the new oil sector SBDs.

### 1.2.2 Assist MoO in Preparing New Tenders

**SRC** USAID-*Tarabot*'s Procurement Advisor met with SRC officials to review the proposed projects of the company (the Engineering and Supply of 32 inch Pipe Line for crude oil, the Fiber Optic Cable project, the Fuel Oil Furnace project, and the Unit for Distilling of Sea Water project) with the possibility of applying the standard bidding documents to these projects. At the end of the meeting, the SRC requested USAID-*Tarabot* to assist by proposing a suitable SBD for the Pipe Line project and developing a list of SRC projects with full support on all the company procurement issues.



USAID-*Tarabot* conducted a technical meeting with the head of the Projects department in the South Refineries Company "SRC" to collect the relevant information about the nominated projects for applying SBD's. SRC asked USAID-*Tarabot* to prepare an events schedule for all the upcoming events such as workshops, focus groups, and technical meetings.

**SOC** USAID-*Tarabot* provided a technical assistance session to SOC on the Standard prequalification documents issued by MoP to develop a prequalification document for the SOC's tender to procure six new high specification tugboats. An invitation will be sent to leading international tugboat manufacturers to submit their applications for prequalification of the new six tugboats. The SOC in the meantime will gather the needed internal approvals to announce the invitation of tugboats prequalification.

**SCOP** USAID-Tarabot Procurement Advisor met with SCOP officials to discuss the applying of prequalification Standard documents as well as the Engineering Procurement Construction (EPC) documents on Bin Omar project. An official letter was submitted to SCOP requesting the names of the candidates to participate in the workshop.

A workshop was conducted between Nov 15 and Nov 19, 2015 for different departments from SCOP to complete the SBDs for the “Bin Omar Depot project”. The total number of attendees was 18 (8 males, 10 females). In this workshop USAID-Tarabot with SCOP participants completed two SBDs (pre-qualification documents) and (Engineering, Procurement and Construction/Turn Key contract). As a result of this workshop SCOP participating staff completed the final SBD’s for these projects, and they are now able to prepare SBDs for all the upcoming projects.



**MRC** USAID-Tarabot held a workshop for 28 officials (14 males, 14 females) from MoO and Midland Refinery Company (MRC) on the following subjects:

1. Provide MoO with an overview on the application of the standard prequalification documents for “nitrogen project”.
2. Provide an overview of the two prospective standard bidding documents EPC/Turnkey document and Design and Implementation of plant and equipment documents.
3. Provide an overview on the bids evaluation, executing the contract and performance indicators.

The USAID-Tarabot Procurement Advisor provided the participants with the EPC/Turnkey document after the MRC expressed its intention to use it as the basis for international competitive bidding.

Following up this workshop, two meetings with MRC project manager and the staff of the contracts department were conducted to complete the standard bidding document for “Nitrogen project” and they reviewed the final SBD’s in these meetings before MRC begin announcing this project.

**OPC** USAID-Tarabot discussed with OPC the implementation of the SBDs and how to prepare the TOR (consultancy services) and provided a sample of the request for Expression of Interest on the nominated pilot project, “FEED study for the construction of gas compression stations in North Rumaila on dry gas tube 24 knots”.

### 1.2.3 Implement an Effective Procurement System at MoO

**SRC** a Procurement competency workshop was conducted for six SRC officials (3 males, 3 females) to provide the knowledge on the following subjects: procurement principles, procurement policy, procurement project life cycle, procurement planning, procurement terminologies, corruption and fraud, contracting methods, prequalification, international commercial terms, SBDs of the MoP, bids evaluation, and executing the contract and performance indicators.



**MRC** USAID-*Tarabot* conducted a nine-day procurement competency workshop for 22 participants (17 males, 5 females) from Contracts, Studies and Design, Stores and Procurement, Auditing, Legal and Engineering departments. The purpose of the workshop was to teach participants about procurement principles, procurement policy, procurement project life cycle, procurement planning, procurement terminologies, corruption and fraud, contracting methods to pre-qualification, international commercial terms, SBDs of the MoP, bids evaluation, executing contracts, and performance indicators.

The USAID-*Tarabot* Procurement Advisory Unit conducted several technical meetings with MRC's Manager of Engineering & Technical Authority, , and the Chief engineer/project manager. The aims of these meetings were to complete filling the procurement plan for investment projects within 2016 budget. USAID-*Tarabot* team is waiting MRC to:

- Prioritize these projects depending on the cash available to add expected dates to start contracting phase next year.
- Adopt the Standard procurement process,

MRC approved the adoption of the SPP as the standard procedure for work within the company. Also the duration of analysis and evaluation process were reduced from (6) months to (3) months according to USAID-*Tarabot* recommendations, and the process was sent in an official letter from MRC to USAID-*Tarabot* on Nov 22, 2015.

**OPC** USAID-*Tarabot* conducted a nine-day procurement competency workshop on public procurement areas such as procurement principles, policy, project life cycle, planning, terminologies, corruption and fraud, contracting methods, prequalification, international commercial terms, SBDs of the MoP, bids evaluation, executing the contract and performance indicators. This was attended by 22 officials (17 males and 5 females) from contracts, finance, studies and design, stores and procurement, auditing, legal and engineering departments.

Additionally, USAID-*Tarabot* conducted several meetings with Oil Pipeline Company chief of the subcommittee, Mr. Nihad Ahmed, and contracts manager, Dr. Mohammed Abulrazaq, to follow up the OPC contracts departmental structure and on the job descriptions for each section within the department.

## **I.3 Improve Projects Execution**

### **I.3.1 Provide TA to MoO to Improve Implementation of Ongoing delayed Projects**

**SOC** USAID-*Tarabot* met with Mr. Abdulshaheed Kadhim, Chief of Subcommittee, Mr. Ammar Abdul Zahra, Amoriyah Shipwreck Project Manager and Mr. Mohammed Azeez, JICA Sea Line project manager to discuss Amoriyah situation, SOC needs and JICA Sea Line project. The attendees requested more support from USAID-*Tarabot* to solve the outstanding issues of JICA project design which is still under discussion with the designer, Amoriyah shipwreck contract and the delay from the contractor side and MoO correspondences with SOC High Committee and subcommittee regarding USAID-*Tarabot* work. USAID-*Tarabot* will review these issues in order to solve it as fast as possible.

### **I.3.2 Assist MoO to Implement Project Management Urgent Systems**

**SCOP** A cost estimation workshop was held for the Bin Omar Depot project in order to assist the MoO on improving the preparations of its upcoming tenders. Fifteen Officials (6 Males, 9 Females) attended the workshop, including engineers from SCOP and estimators and designers from

other MoO departments. The cost estimation concept was presented and explained to the participants including general overview of cost estimation, estimation documents, estimation approach, practical examples and templates. The participants agreed to utilize the new learned techniques and tools to conclude the cost estimation of the aforementioned project to ensure getting more qualified bidders for this tender.

The Bin Omar project will procure storage tanks for crude oil to collect and store crude oil in order to increase crude oil storage for the southern area. Another two-day workshop will be delivered by USAID-Tarabot to complete the cost estimation before the end of the current month.

Additionally, USAID-Tarabot conducted a meeting with Mrs. Rawaa Wathiq, Head of Management Department and SCOP Senior Engineers to discuss hold a technical workshop on using Primavera P6 Software to determine cost estimation for the company projects.



An official letter from SCOP was received with the names of the ten nominated engineers representing the project management and programming departments to attend the workshop that started this week for ten days.

**MRC** USAID-Tarabot conducted a ten-day workshop for MRC staff to determine the preliminary cost of the Nitrogen 600Nm<sup>3</sup>/hr project. This came after USAID-Tarabot met with Mrs. Rasmiya Badr, Head of Project Implementation Division, to discuss the pre-selected projects (Nitrogen 600Nm<sup>3</sup>/hr Construction Unit and MLDW ISO Dewaxing Unit) in order to estimate their costs using the international cost estimation techniques.

### **1.3.3 Assist MoO to Implement the PMP Certificate Program**

During this month USAID-Tarabot met with Mr. Hashim Faraj, Deputy Director General-Head of Planning Department to follow up on the progress regarding the list of nominees for the PMP preparation program in addition to expediting the launch of primavera activities with the MoO and its state companies. Mr. Faraj acknowledged the importance of the ongoing activities according to the approved workplan by MoO and will follow up with his respective officials to proceed with the PMP program.

**SCOP** USAID-Tarabot Project Management Advisors conducted a technical meeting with Mr, Subhi al Ganim to follow on the PMP participants list. Another meeting was conducted with SCOP officials to accelerate the nomination of SCOP qualified engineers to participate in the PMP program.

## **1.4 Improve internal policies, regulations and administrative functions**

### **1.4.1 Enhance Roles, Responsibilities and Lines of Authority**

This month USAID-Tarabot with MoO officials continued revise roles, responsibilities and lines of authorities through delegation and empowering project managers to strengthen their roles in the field.

**MRC** This month, a competency workshop was conducted for 25 officials (14 males, 11 females) representing seven departments in MRC including finance, audit, legal, stores, procurement, human resources, and projects management.. USAID-Tarabot provided recommendations to the participants on the proposed solutions for MRC laws and regulations problems. The attendees agreed to

conduct a focus group to develop a list of administrative and financial authorities to the engineers in order to increase the company's production.

Several meetings were conducted this month with MoO MRC officials to discuss the technical assistance program of USAID-Tarabot in reference to the line of authorities. During these meetings, a draft of the proposed powers that the MoO and USAID-Tarabot intends to transfer from the high levels to low levels was reviewed with MRC officials Mr. Imad Jwad, Director-General of Administrative and Financial Affairs, Mrs. Najah Abdul Razak, Director of Human Recourse, Mr. Mohamed Shalooob, Project Manager, Mrs. Rassmia Bader, Director of Project Management and Mr. Muthana Ahmed, Director of the Project Accounts. These powers include administrative, financial and technical powers.



A final draft of the proposed powers was provided by the attendees to submit to the D.G. of MRC for approval. This decentralization aims to reduce delays in approvals and procedures ensuring efficiency and productivity to ultimately to increasing MoO revenues.

Additionally, USAID-Tarabot conducted a technical meeting with Mr. Kadum Qassim, Director of MoO Human Resources Department, to collect the powers at the ministry and its entities and to explain the action plan of information about delegation of authorities' technical assistance. The attendees agreed to conduct another meeting to review the initial recommendations of MoO entities.

Meanwhile, USAID-Tarabot met with General Company for Ports of Iraq (GCPI) officials including Captain Adnan Mohsen, Assistant DG, and Mr. Modar Abdul Ali Muhammad, high seas Captain to discuss simplifying the clearances of goods and customs procedures to facilitate the clearing of materials/goods from ports. This will accelerate the clearing process and will mitigate clearance and the payment of customs duties processes

During this meeting it is agreed to hold a joint meeting next month between USAID-Tarabot, representatives of customs clearance in the oil companies, and representatives from the Ports Company at Um Qasr port to streamline the customs clearing.

Another similar meeting was held between USAID-Tarabot and Mr. Ahmed Nouri, Director of Customs Directorate of the southern region to discuss the same subject. It is agreed to hold a second meeting between USAID-Tarabot, Customs clearance representatives from the oil companies, and representatives of customs from MoO HQ, and Directorate of the southern region representatives at the beginning of the next month.

Finally, the USAID-Tarabot team conducted a one day workshop "Regulatory reform delegation of authorities" for 12 officials (2 females and 10 males) from SRC and SOC from different departments (financial, audit, legal, stores, procurement, human resources and project management) to review the powers of the general directors and the deputies of minister which were collected by USAID-Tarabot. The participants discussed and analyzed all the powers and proposed the powers which are supposed to move from the top level to lower levels to streamline the routine and facilitate the process. As a result of this workshop a list of powers was developed and sent by USAID-Tarabot to SRC and SOC



management for review and approval. This list of powers and authorities, if approved, will reduce the delays and increase production.

#### **1.4.2 Assist MoO to streamline Internal Regulations and Procedures**

Beginning of November USAID-*Tarabot* met with Mrs. Hamdiya Aljaf, D.G of the Trade Bank of Iraq (TBI), to follow up the process of Letter of Credit (L/Cs) opening. The following topics were discussed during the meeting:

1. Problems related to the letter of credit L/Cs opening at the TBI and the relations with private sector banks.
2. Bank's routine and procedures

The TBI representative, Mrs. Aljaf, explained that the bank has a special branch inside the MoO designated exclusively for the ministry affairs and headed by highly qualified and experienced staff.

Despite the MoO's exemptions to expedite their imports, the TBI cannot accept incomplete or inaccurate LCs forms. It was agreed to open all L/Cs at TBI except those with the values under \$4 million.



Additionally, USAID-*Tarabot* met with Mr. Abdulsatar Alani, legal consultant at the Public Customs Commission (PCC), to discuss the Customs' commission and MoO's obstacles while clearing the materials/goods from the customs area as below:

- Customs exemption is not completed on time prior to materials/goods arrival. It is usually done after the arrival of the materials/goods.
- Accrued imposition of customs duties on the containers as a result of late clearance of materials/goods.
- Congestion at the access point (only one access point is available).
- Lack of priority for oil companies in the process of clearing their materials/goods.

The PCC legal consultant agreed with USAID-*Tarabot*'s proposal to issue the facilitation letter by the regional customs departments instead of at headquarters that is based in Baghdad in order to reduce the time. It is also agreed to study the feasibility of exempting MoO containers from custom duties and to establish a special window to accelerate the process for MoO, MOE and Ministry of Foreign Affairs, who have heavy import levels. .

During November USAID-*Tarabot* continued assisting MoO and other cooperating entities including MoF and customs departments in drafting amendments to customs regulations to expedite clearance procedures.

USAID-*Tarabot* conducted a set of meetings with the Director of the northern port of Umm Qasr -General Company for Ports of Iraq, and the Captain of high seas Mr.Modar Abdul Ali Muhammad from General Company for Ports of Iraq – MoT accompanied by Mr. Adnan Bakhit Abdullah and representatives of the Iraqi Drilling Company, South Refineries Company and Northern port of Umm Qasr to discuss the oil companies and staff of the northern port of Umm Qasr's notes regarding the clearance of goods to simplify customs procedures in order to find possible solutions to facilitate the clearing of materials/goods from ports stores to



avoid paying extra fees. The participants proposed some solutions to be reviewed and approved by the Director General of the Iraqi ports company.

Another meeting was conducted between USAID-*Tarabot* and the Director of Southern region Customs Mr. Ahmed Nouri and representatives of the Iraqi Drilling Company, South Refineries Company and Customs southern region to discuss different issues raised by the oil companies on one hand and Director and staff of Customs southern region on the other hand, regarding the clearance of goods to simplify customs procedures.

As a result of this meeting two decisions were taken by the Director of Southern Region Customs, Mr. Ahmed Nouri, to simplify customs procedures according to the privileges of the Director. The Director of Southern region Customs issued a formal letter on Nov 18, 2015 with two main decisions to simplify the procedures:

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

Finally, USAID-*Tarabot* conducted two meetings with SCOP representatives Director of Control and Internal Audit Department, Mrs. Faliha Khalaf/ Deputy Director of Control and Internal Audit Department, Mr. Najm Abboud Numan and Administrator of audit contracts and credits division Mrs. Lamia Kadhim and MRC representatives, Director General Mr. Saad Mohammed Nouri/ Deputy Director-General for Management, Mr. Emad Mohammed Jawad/ director of oversight, and internal audit department Ms. Halima Mohsen Helal/ an administrator of storage auditing division Mrs. Haifa Nagi Hammadi/ and auditors Mr. Ammar al-Nasr al-Din and Mr. Laith Abdul Hadi to specify the obstacles concerning the supervision and inspection and to discuss the problems which are:

- Multiple supervisory agencies.
- Multiple opinions from different supervisory agencies about the same findings.
- Increase the ceiling of the contracts, which are supervised by the internal inspector of the ministry, from 150,000,000 ID to 250,000,000 ID.
- Implemented projects get audited after years of completion.

USAID-*Tarabot* is reviewing these obstacles and will send proposed solutions during the next few days.

#### **1.4.3 Assist MoO to Adopt Administrative Reform**

**OPC** This month USAID-*Tarabot* conducted several meetings with Mr. Nihad Ahmad Rasheed, Director of Cathode Protection Division to discuss and determine OPC divisions, to include it in the reengineering process. This will also improve the identified procedures of organizational development inside OPC. A brief about re-engineering concepts was provided by USAID-*Tarabot* during the meeting to implement the re-engineering workshop next week. USAID-*Tarabot* also met with OPC employees at the engineering inspection department to review the company methodology in implementing the engineering inspections.

As a results of these meetings USAID-*Tarabot* conducted a workshop on business process reengineering for 24 participants (3 female, 21 male) from OPC divisions including Cathodes Protection, Safety, Engineering inspection, Human Recourses, IT and Communications departments. A presentation was displayed by USAID-*Tarabot* during the workshop on methodology of writing and developing the process for each department followed by a discussion between the attendees to

write the steps and follow charts of their business processes. The OPC agreed to develop the new flowchart with USAID-Tarabot support.

Additionally, USAID-Tarabot met with OPC engineers from the Safety and Fire Control Department, Mr. Kayath Hassan, Nameer Nasir and Izzat Ibraheem to determine the 11 main procedures for the department. The attendees put together the procedures according to its priority starting from the Declaration of Work and will continue to complete the remaining procedures during the next month.

At the same time, USAID-Tarabot is working with the OPC safety and fire control team to develop an effective and efficient process to simplify and expedite operations. This will improve the performance of operations through reducing times, eliminating complex steps and/or procedures and activities that do not add value to the process.

Finally, USAID-Tarabot conducted several meetings with Process Development Team of the Safety and Fire Control Department of the Oil Pipeline Company (OPC). The meeting was attended by safety engineers, Mr. Izzat Ibraheem, Mr. Nameer Nasir, and Mrs. Many Younis, the team secretary. The participants revised the draft of the process (declaration of work) and added some amendments to it. Regarding to this meeting USAID-Tarabot started developing the draft for the second process titled (Regularly maintenance of mobile fire control devise). At the same time USAID-Tarabot conducted a meeting with Process development team of Cathode protection division Mr. Ali Ramadhan, Mr. Ali Hussain and Mr. Hasan Mokaykif to start writing a draft of first process titled (Regular Maintenance of Cathode Station) and the second process titled (Maintenance of NonWorking Stations).



**SCOP** USAID-Tarabot met with the Head of SCOP Quality Department, Mr. Tareq Abdul Kreem, Mrs. Talia'a Hikmet, Deputy of Head of Quality Department, and Mrs. Inta'a Khalid, Head of Quality Division, to follow up the development and maintenance of SCOP documentation system to ensure an effective quality management system designed for the specific needs of SCOP. USAID-Tarabot explained to the attendees the importance of the documented procedures and why it should contain the necessary information, unique identifications, forms, records, and work instructions that define how an activity is performed. The attendees demonstrated their willingness to officially adopt the amendments of USAID-Tarabot on SCOP documentation procedure with the concerned departments inside the company.



Additionally, USAID-Tarabot conducted a set of technical meetings with the SCOP Head of the Quality Department and his staff, the Head of Quality and Performance Evaluation Department Mr. Tareq Abdul Kreem, Deputy of Quality Department, Mrs. Talia'a Hikmet, head of Quality Division, Mrs. Inta'a Khalid, and the Expert of the DG Office, Mr. Subhi Al-Ghanim. These meetings to follow-up on the progress of revising the procedures of Quality management system (ISO 9001:2008 inside SCOP) that are currently being reviewed by the department of quality and the relevant sections towards issuing the quality management system in place. During the meetings, USAID-Tarabot senior advisor explained the easiest way to use coding system of quality procedures, forms, and work instruction, as well as assisting the quality department staff to determine the responsibilities and powers within each procedure. The attendees agreed on the presented technique for coding and

they are working now on reviewing these procedures and issue the Quality management system as soon as possible.

## **2. IRAQ DEVELOPMENT MANAGEMENT SYSTEM (IDMS)**

### **2.1 Support the MoP to Adopt IDMS**

#### **2.1.2 Deployment of the IDMS to 8 Entities**

USAID-*Tarabot* continues to provide technical assistance to the select GoI entities on uploading their contracts information to the system, and extracting reports for the verification of data quality. This will facilitate the adoption of the IDMS by GoI entities.

#### **2.1.3 Support the Sustainability and Maintenance of the IDMS**

As part of the continuing assistance to Iraqi Ministry of Planning (MoP), USAID-*Tarabot* met with MoP officials including Mr. Abdul Aziz, Contract Department Manager, Mr. Bashar Hatam, Manager of the Follow-up Unit, Mr. Saif Falah, International Cooperation, Mrs. Hala Kamel, Follow-up Unit, Government Investment Department, IT Department staff, and Legal Department.

The propose of the meeting was to discuss the IDMS maintenance contract ToR definitions and the contract name change from IDMS maintenance contract into IDMS service support, and to update the contract to make it compatible with current Iraqi contracting instructions and regulations.

Meanwhile, USAID-*Tarabot* discussed the IDMS launch event (to be held next month) with MoP officials Mr. Bashar Hatam Thabit, Manager of Projects follow-up Department, and his Director Mr. Alaa Zaki, and other officials from the International Cooperation Department, Projects Follow up Department, Sectors Follow up and Regional Cooperation Department. The attendees also discussed the bugs affecting the GOI entities' use of the system.

It is agreed to inform Synergy team that they must finish solving the pending points and the future points that have been detected during the IDMS test. MoP will submit a recommendation letter to the Deputy Minister to decide and set an official date to formally launch IDMS system.

Additionally, USAID-*Tarabot* IDMS team discussed the IDMS maintenance contract ToR with MoP officials Mr. Abdul Aziz, Contract Department Manager, Mr. Bashar Hatam, Manager of the Follow-up unit, Mr. Saif and other officials from Contracts and Legal Departments. The attendees agreed on the following points:

- Finalize the final copy of the ToR.
- Contact Synergy for finish the company registration and the exclusive rights documents.
- Prepare the required training program.
- Contact all related departments to get confirmation about IDMS updates.
- Send letters to Iraqi Telecommunications and Post Company (ITPC) and Al-Nahrain University to host and support IDMS capability.

USAID-*Tarabot* also discussed with MoP officials the required upgrade points of the IDMS. It is agreed to collect the upgrade requirements from MoP departments as quickly as possible to finish the process.

Additionally, USAID-*Tarabot* conducted a set of meetings with Ministry of Planning representatives (Bashar Hatim, Head of Projects Follow-up Department, Saif Falah, International Support Department. and Abdul Azeez, Head of the Procurement Department) to discuss the following subjects:

- Updating the IDMS system in dealing with contracting to provide the required new updating within one week.
- Classifying the new updates according to ministry directorates.
- Prepare to conduct an advanced training program for the ministry's help desk team in coordination with the MoP IDMS committee.
- Issue formal letters by the TOR committee to most of the ministry directorates to identify the required updates to the system.
- The coordination between USAID-*Tarabot* and the MoP team in order to prepare a site visit for current projects that apply (IDMS) to follow up these projects.

Another meeting was conducted between USAID-*Tarabot* and MoP Deputy Minister Mr. Qassim A'naya, Mr. Bashar Hatim, Head of Projects Followup Department, Nidhal Mohamed, expert at the Directorate for Public Investment. To discuss the releasing of the IDMS system also they discussed:

- The problems with the temporary use of IDMS system, totaling 37 problems. SYNERGY Company fixed most of these problems, and the rest which were classified as either minor or major.
- Agreement to issue an official letter for all related MoP departments that use IDMS system in order to know the difficulties that they face when they began using the system according to its priority and its impact on each department.

USAID-*Tarabot* and the MoP IDMS team arranged a meeting with Synergy to discuss the remaining issues with the system.

### **3. SUPPORT TO MOP'S HELP DESK**

#### **3.1 MoP capacity building**

##### **3.1.1 Development of Public -Private Partnership PPP**

USAID-*Tarabot* Procurement advisor met with MOP officials Dr. Azhar Hussien, DG of DGGC, Mr. Falah Mahmood, Consultancy Department Manager and Mrs. Siham Kadhum, Tender Department Manager to discuss the upcoming activities of USAID-*Tarabot*'s work plan in terms of Development of Public-Private Partnership (PPP). It is agreed to conduct one-day basic procurement workshop on Performance Indicators for contracts department's staff from ministries and governorates.

Additionally, two of the ILO graduates Mrs. Siham and Mrs. Nora and USAID-*Tarabot* Procurement Advisor delivered a one-day procurement workshop on performance indicators to the MoP Directorate of Governmental General Contracts DGGC for 10 GOI officials (7 female, 3 male) representing Ministry of Constructing and Housing (MoC&H), Ministry of Justice (MoJ) and other MoP directorates.

##### **3.1.3 Development of Public Procurement ToT Program**

USAID-*Tarabot* followed up the recent certification of 10 ToT in a meeting with MoP-DGGC General Director Dr. Azhar. The MoP-DGGC agreed to issue a 2016 annual training plan for GOI entities, which will be implemented by those who graduated from the ILO training.

# PROJECT ADMINISTRATION

## Staffing, Deployment, Registration

This month, USAID-*Tarabot* local staff increased to 59 employees. One additional expatriate advisor was deployed to Baghdad, USAID-*Tarabot* waiting for an additional senior level oil expert to replace an approved candidate that dropped out before his on-boarding process was finalized.

## Security

ISIS activity continues in the north and west of Iraq, resulting in several incidents in ISIS-held areas. Despite progress in recapturing Baiji Refinery in the north, the Iraqi Special Forces (ISF) continues to battle ISIS for final control of this important resource and its surrounding areas. So far there has been no additional fallout from the successful Oct 22<sup>nd</sup> US-led rescue mission of Kurdish detainees from an ISIS prison in the district of Hawijah in the Kirkuk province. Tensions in the north also continue between Turkey and the Kurdistan Workers' Party (PKK), with Turkish air and ground forces increasing strikes.

Despite continuous defusing of improvised explosive device (IEDs) by ISF EOD personnel, car bombs and other IED explosions continued throughout Baghdad and the surrounding areas, though no *Tarabot* personnel are involved or have been injured.

The Ashoura holiday caused many road closures throughout Baghdad and other towns due to pilgrimages, though no major incidents occurred. Otherwise, mostly peaceful demonstrations for government reform continue throughout most of Iraq's provinces

## Visa/ Badges

This month USAID-*Tarabot* got Six months multiple exist and reentry visa for two people and one year multiple exist and reentry visa for another five people. Additionally, USAID-*Tarabot* Project processed five multiple visa stickers.

## Property

### Two disposition requests have been submitted to USAID for disposal

**First Disposition request:** Regarding to UNDP interest about USAID-*Tarabot* GYM equipment, During this month USAID-*Tarabot* follow up this issues with UNDP by set of emails . UNDP still waiting to get IZ permission but it seem they are facing difficulty to get this permission entry for these items.

**Second Disposition request:** Sensitive equipment in two divisions:

1 .List of Motorola radios, GPSs & Thuraya Phones: Sallyport have submitted an offer to buy it. These radios have been under Sallyport's custody since Tijara purchased them. Tijara transferred these to *Tarabot* when Tijara closed out.

2. List of Vests, Helmets, Motorola radios, GPRS & Thuraya Phone etc....) which has been purchased by MSI, we are waiting USAID instructions regarding its disposition.

### The disposition of 18 armored vehicles:

MSI has 18 D class Armored Vehicles. Per US Regulations these are classified and cannot be given or sold to the private sector or an alien government. They can only be given to the government or to a contractor on a USG Contract. The vehicles are registered to Private Security Company (PSC), Sallyport Global Services; because only PSCs have the authority to register armored vehicles with the Gol.

The vehicles are registered in two Iraqi Directorates, the Directorate of Registration and Evaluating the Private Security Companies (PSC) and Customs under Sallyport; which means Sallyport is legally responsible and held accountable for these vehicles. MSI proposed to return these vehicles directly to USAID Iraq, since they have ownership of them. But according to Iraqi Ministry of Interior (Mol) regulations for orange plated vehicles, the PSC must donate them to the Iraqi Government or re-export them outside the country. There is no third option.

*Tarabot* is in the process of requesting permission from the Iraqi government to be exempted from Mol regulation. This would allow the destruction of the vehicles locally at Baghdad International Airport (BIAP), or to be donated back to USAID. Since the cost of shipping the vehicles out of country for destruction is prohibitive, an exception from the Gol is the only option. A Dip Note was issued by the Embassy to the Iraqi Ministry of Foreign Affairs (MoFA) requesting this exception and *Tarabot* is awaiting feedback from the MoFA.