

IESC Assistance to Oman

Final Report September 1, 1997

Grant #263-G-00-97-00041-00 (Amended)

Background

The USAID Memorandum of Understanding with Oman was being terminated in 1996, and USAID personnel were seeking an appropriate method to remove USAID assistance to Oman while still providing affordable technical assistance to the newly liberalizing economy. A December fact finding mission to Oman comprising USAID and IESC personnel to review potential areas of interest and collaboration related to private sector development opportunities and if appropriate to propose IESC services to Omani organization. In January 1997, the USAID-Egypt Oman Committee determined that IESC services were appropriate to fill the needs of select Omani organizations: The Omani Center for Investment Promotion and Export Development (OCIPED), the Omani Ministry of Development, and the Omani Ministry of Finance.

A grant was signed between USAID and IESC to cover these Oman activities to begin March 4 and end June 30, 1997. Subsequently, USAID informed IESC that instead of the work for the Ministry of Finance, IESC was to complete a project for the Ministry of National Economy. In addition, the grant was amended three times: 1) to shorten the number of person-days for the Ministry of Development; 2) to extend the period of the grant through August 1, 1997, and 3) to change the grant number from 272-0105-G-00-7041-00 to 263-G-00-97-00041-00.

IESC mobilized quickly to implement the program. Recruitment had already begun for most projects before signing the grant with USAID. However, the Muslim feast Eid El Adha fell in April (16-21), so many of the projects were scheduled to begin after April 21, 1997. IESC began project logistics: hotel procurement, Oman Country Guide for Volunteer Executives (copy attached), and visa arrangements immediately. All of the planned activities were completed except for the following:

1. The Ministry of Finance project for assistance with the tax authority was deleted and replaced with a privatization related project for the Ministry of National Economy.
2. The LAN/WAN expert who was to provide assistance to the Ministry of Development became ill unexpectedly and a replacement could not be found within the limited time frame of the grant.

One of the original ideas behind provision of IESC assistance to the selected Omani organizations was to offer a low-cost replacement to the recently discontinued USAID assistance program which will no longer be funded for Oman. While there was some concern that Omani organizations would not want to pay full cost for IESC assistance, the work of the volunteers and IESC management during the period of this grant have indeed resulted in requests for assistance for full cost IESC technical assistance and Centers for Quality Assurance assistance in the future. These request not only indicate the IESC assistance can help to replace the USAID-funded technical assistance for Oman, but also will assist the Egyptian Centers for Quality Assurance to build an international client base to aid sustainability.

Areas of Assistance

OCIPED

Quality Management and ISO 9000

To provide OCIPED with ISO 9000 quality assurance services, the planned assistance included 42 days of activity (20 on-site in three visits and seven off-site for CQA staff member, 15 on-site in two visits (Projects #30341 and 30522) for the Volunteer Executive).

Trip 1

The first trip to OCIPED for ISO 9000 assistance was made by Dr. Khaled Hamdy Managing Director of Egypt's Centers for Quality Assurance and an IESC volunteer, Frederick Blanchard (Project #30341), who has 32 years of experience in the power industry and significant international experience including ISO 9000 experience in the Middle East. The purpose of the trip was to instruct OCIPED staff on the requirements of ISO 9000 Quality Standard outline steps for them to reach the level of registration to the standard.

During the first trip (March 27-April 7, 1997 for Dr. Hamdy and from March 28-April 8, 1997 for VE Blanchard), Dr. Hamdy gave an Achieving ISO Registration (AIR) course, a documentation course, awareness training and provided samples of documents. VE Blanchard provided assistance in areas such as brainstorming, flowcharting and form creation. Blanchard and Hamdy worked together in completing a diagnostic assessment of OCIPED and trained them on the 20 clauses of the ISO 9000 standard. OCIPED staff were to develop the documentation required by the ISO 9000 standard in the interim between the first and second trip for review by Dr. Hamdy and VE Blanchard.

Trip 2

Dr. Hamdy completed the second trip which took place May 16-22, 1997 on his own. It was envisioned that this trip would include an internal auditing course for OCIPED staff. However, OCIPED is as yet not fully staffed. Preparing the necessary documentation of ISO 9000 certification is time consuming and there were not adequate staff to complete the required documentation before the second visit. Rather than proceed to the next stage, internal auditing training, Dr. Hamdy used the second visit to assist OCIPED in finalizing its quality manual and progress toward completing procedures, work instructions and forms.

Trip 3

The third trip took place July 19-27, 1997 rather than in June as originally planned to allow OCIPED staff more adequate time in which to complete the required documentation. Both Dr. Khaled Hamdy and VE Blanchard (Project #30522) were present during this visit. The internal auditing training postponed from the May 1997 trip was given. All three internal auditors passed the exam for the internationally certified course.

The remaining period focused on completion of documentation. All existing documents were reviewed and revised as necessary. While OCIPED has completed much of the documentation necessary for certification to the ISO 9000 standard, they must implement the system for a time before they are ready to be certified.

This was a difficult assignment for OCIPED. The average organization takes one full year to develop and implement a quality system. In only four months OCIPED has made incredible

progress, especially as they are in the process of organizing, staffing and getting the center up and running. It is envisioned that OCIPED will continue to send documents to VE Blanchard and Dr. Khaled Hamdy for review as needed.

Business Links

To assist in the development of services that benefit Omani businesses drawing on OCIPED's resources, Martin Penn (Project # 30369) was recruited. VE Penn has long experience with a record of consistent excellence in start up of new business activities, information flow, processing, measuring and controlling of data on finance, facilities and personnel. The assistance provided by VE Penn (May 19-July 12, 1997) included reviewing the organizational structure of OCIPED and assist OCIPED in outlining the specific services it will offer private sector investors; assistance in identifying and developing export market and product opportunities in addition to targeting current industries; and assistance in developing systems to support the operation of the "one-stop-shop."

VE Penn prepared job descriptions for employees of OCIPED. Of the 25 positions envisioned for OCIPED, 11 have been filled. The existing staff is highly competent and motivated. All systems are in development. VE Penn assisted in working with staff to adopt standard office techniques to streamline work: individualized form letters, computer generated follow-up, and control routing/action slips. It is estimated that this should increase staff productivity by 20%. VE Penn also worked with VE Garza in providing training and workshops for lower and higher management echelons. OCIPED was pleased with VE Penn's work and asked him to stay nine days more than originally planned.

Overall, despite the heavy workload for staff and the high volume of "walk-in" clients, OCIPED should be ready to meet the 1998 plan for activity volume.

Marketing Assistance

VE Paul Garza, Jr. (Project # 30402) was recruited as VE to assist in developing a marketing plan for OCIPED along with service development and promotion. VE Garza is an experienced administrator with extensive background in both profit and nonprofit sectors. His skills include: Project Management, Grant and Proposal Writing, Economic Development, Outreach/Development, Marketing, and Business and Industry Programs.

During his visit, (May 19-July 7, 1997) Garza determined that while good at marketing in general, OCIPED staff had little or no experience in sales. Garza outlined a sales program, provided training in sales processes and worked with staff to develop their understanding of sales management. In addition to this on-the-job training, he worked on establishing definite procedures in the areas of sales and marketing. Also, Garza worked with OCIPED in developing its marketing program, especially in using trade shows and exhibitions in order to enter markets.

While VE Garza also pointed out that OCIPED is understaffed to accomplish its ambitious goals, he said that with the base at this point, the center has a good start. He also identified some regulatory impediments to successful attainment of OCIPED's objectives, but OCIPED is already working with the appropriate governmental agencies to remove these impediments.

IESC Training

Training with project managers in Cairo:

Three members of the OCIPED staff were present in Cairo for four days of training, May 12-15, 1997. The program included discussions with Program Directors on providing client services: technical assistance, quality assurance, and technology services. Project Managers from the Technical Assistance (TA) Program worked with OCIPED staff to introduce them to working with clients to accurately define their needs in terms of a request for assistance.

While IESC operations in Egypt differ substantially from the activities of OCIPED, OCIPED staff gained first hand experience at working with clients to develop specific definitions of assistance requested. This will help OCIPED staff to identify their client needs and identify appropriate services.

Volunteer Executive:

VE Jack Morgan (Project 30430), a long-standing member of IESC headquarters recruiting staff was assigned to this project. The purpose of VE Morgan's project (May 19-June 29) was to assist OCIPED staff in establishing services for their organization to provide to clients, establish in-country interagency links, and to oversee and guide the other IESC projects underway in Oman.

VE Morgan worked with OCIPED staff and OCIPED's Scottish consultant to bring about the hiring of necessary personnel. In addition, Morgan is meeting with different people in consulting organizations and the chamber of commerce, and advising on the establishment of the management role in OCIPED. VE Morgan worked with OCIPED staff to develop IESC services for private sector clients. A number of opportunities were developed.

IESC Management:

Peter Cross, Chief of Party IESC-Egypt, made three management trips to Oman. During his first trip, April 6-9, 1997, Mr. Cross oriented OCIPED staff in IESC services, leading into their Cairo training which was to take place in May. He also ensured that proper arrangements had been made for volunteers who were to begin arriving in May. In addition, he met with key personnel at the Ministry of Development and the Ministry of National Economy to ensure that they were in agreement about the terms of reference for the assistance they were to receive.

During the second trip, May 18-22, 1997, Mr. Cross worked with OCIPED to develop private sector clients and review progress to date. In addition, he established a working relationship with U.S. Ambassador F. Cook, Deputy Chief of Mission J. Feirstein, and Alan Oslick, Economic/Commercial Officer.

The third management trip took place from June 16 - 19, 1997. During this trip relationships were solidified with US Officials. When it became apparent that OCIPED is understaffed to carry out IESC activities at this time despite the fact that there is demand for technical assistance, Alan Oslick, Economic/Commercial Officer at the U.S. Embassy in Oman, offered to facilitate activities temporarily until OCIPED is ready to offer IESC technical assistance services.

Ministry of Development

Management Information Systems Assistance

To evaluate and upgrade the different databases of the Omani Ministry of Development, IESC selected VE Adel Labib. Labib has extensive experience in Management System Development where he conducted automation feasibility studies, established user information requirements, trained professionals in bilingual and multicultural environment, and designed computerized management applications. VE Labib's project (May 5-July 21, 1997), was a difficult one as he was without a counterpart for the bulk of his volunteer assignment. However, VE Labib was able to discuss issues with the Undersecretary of the Ministry of Development, Rajiha Bint Abdul Ameer Bin Ali, and some positive effects came of the project. The project duration was 78 rather than the planned 90 days because of the later than expected start of the grant.

VE Labib worked with Ministry systems developers to document their processes, resulting in complete operations and users' manuals. VE Labib recommended that the Ministry not implement costly recommendations made in a previous study, but that they upgrade the computer. He recommended replacement hardware and installation of statistical and tabulation software. Areas for training were identified and a data base which integrated information from outside sources was developed by working closely with the lead systems analyst.

As a result of VE Labib's work, all 23 systems have been completely documented, and the initial study of the integrated data base has been completed. If all recommendations are implemented, the Ministry will be able to produce accurate and timely statistics with meaningful data within 12 to 18 months.

LAN/WAN Development

A volunteer was identified for this project (#30417), but he suffered from unexpected health problems very close to his planned arrival date. At that time it was too late to identify another volunteer. This project was not implemented.

Employee Training and Follow - up Services

VE Labib identified training needs and provided on-the-job training for systems developers and the lead systems analyst, as well as identifying future training needs.

Ministry of Finance

After work began under our grant, the Omani government decided that they would rather have a privatization project for the Ministry of National Economy than a tax reform project with the Ministry of Finance. USAID informed IESC, and IESC changed the focus of this project.

Ministry of National Economy

The Omani Ministry of National Economy requested assistance in developing a privatization strategy. To assist the Ministry, IESC selected VE Jack Baranson (Project # 30431), an engineering/industrial consultant to industry and government, with a broad background in international business, trade, and technology transfer. During VE Baranson's project (May 17 - June 25, 1997) he met the key players in privatization in Oman and discussed the goals and priorities of the Omani government regarding privatization. The VE reviewed the government privatization policies. However, many of these have not been translated or summarized in English.

VE Baranson was able to draft a summary report with recommendations for privatization in Oman. The recommendations included:

1. Reorganization of Management of the Privatization Program
2. Develop guidelines for privatization tenders
3. Advisory committees should be developed for privatization review
4. Revise Omanization policies to allow more latitude for privatizing companies
5. Board of Directors should be private sector business people.
6. Use known indicators to measure success of privatization
7. Reexamine policies governing majority local share holding in ventures where it is beneficial to obtain outside technology.

While VE Baranson completed the tasks outlined in his work plan, Ministry Officials indicated that they felt the report was not as specific as they had hoped. We believe that in the time allotted, it would have been difficult to develop more specific recommendations. These studies often take up to six months and VE Baranson's assignment duration was 40 days. Although 60 days were allotted for the project, the late date at which the project was shifted from tax policy to privatization resulted in a short time for the VE to complete his analysis.

Conclusion

IESC's assistance to Oman was successful overall. OCIPED has requested additional assistance from VE Penn, and will continue to work with Dr. Hamdy and VE Blanchard. This indicates that the organization was pleased with IESC's assistance. The work with the Ministries was less successful, but in both cases the atmosphere was less conducive to success than at OCIPED. The VEs received less counterpart time. Even with this obstacle, the work with the Ministry of Development, if VE recommendations are implemented, will result in the Ministry's desired outcome. In order to develop a more specific privatization plan, the Ministry has more work to do. The recommendations provided by VE Baranson can be used as a base for more detailed action plans.

One of the purposes of this grant was to initiate a method for provision of affordable technical assistance to Omani private sector businesses without USAID funding. IESC is developing technical assistance projects for the following types of businesses in the private sector: an auto oil/air filter manufacturer, a tube mill, a trading company, a marble and granite company, a marina, a credit card service provider, and two startup businesses in: peanut packaging and semi conductor technology. If these services are implemented as planned, USAID will have created access to affordable technical assistance which does not require USAID funding in Oman.