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**Project Agreement between Japan International Cooperation Agency
and UNDP for Partnership Services for Support Unit to the
Monitoring Committee on the Japanese ODA Loan project (III)**

FINAL REPORT, FEBRUARY 2014

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Abbreviations and Acronyms	
BTMU	Bank of Tokyo-Mitsubishi UFJ
E/N	Exchange of Notes
FMA Agreement	Project Agreement between Japan International Cooperation Agency and United Nations Development Programme for Partnership Services for Support Unit to the Monitoring Committee on the Japanese ODA Loan project (III)
GCPI	General Company for Ports of Iraq
GoI	Government of Iraq
GoJ	Government of Japan
JICA	Japan International Cooperation Agency
JFY	Japanese Fiscal Year
L/A	Loan Agreement
L/C	Letter of Credit
LCOM	Letter of Commitment
LMT	UNDP Loan Management Team
M/C	Monitoring Committee for Japanese ODA Loan Projects
MMPW	Ministry of Municipality and Public Works
MoB	Mayoralty of Baghdad
MoC	Ministry of Communication
MoCH	Ministry of Construction and Housing
MoE	Ministry of Electricity
MoF	Ministry of Finance
MoH	Ministry of Health
MoIM	Ministry of Industry and Mineral
MoO	Ministry of Oil
MoP	Ministry of Planning
MoT	Ministry of Transport
MoWR	Ministry of Water Resources
NRC	North Refinery Company
PMAC	Prime Minister's Advisory Commission
PMT	Project Management Team of implementing line ministries and agencies
P/Q	Prequalification
REMEK	Regional Ministry of Electricity in Kurdistan
RMMTK	Regional Ministry of Municipality and Tourism in Kurdistan
SCFSR	State Company for Fertilizer South Region
SOC	South Oil Company
SRC	South Refinery Company
TBI	Trade Bank of Iraq
ToR	Terms of References
UNDP	United Nations Development Programme

Japan International Cooperation Agency (JICA) and UNDP have renewed the Project Agreement for Partnership Services for Support Unit to the Monitoring Committee on the Japanese ODA Loan Project on 8 January 2013 to expand and enhance the joint cooperation to support the Government of Iraq (GoI).

UNDP Loan Management Team (LMT) has the dual roles of (i) supporting JICA's monitoring capacity and activities of the M/C and (ii) assisting GoI, especially PMTs under each implementing line ministry and agency.

Context

Brief Background:

The Government of Japan (GoJ) announced a USD 5 billion assistance package including USD 3.5 billion Japanese ODA loans to support Iraq's reconstruction at the Madrid Conference in October 2003. The GoJ pledged loan assistance for 19 projects and JICA concluded 19 loan agreements amounting to USD 4.1 billion as of 31 January.

All project activities, such as procurement, project management and financial management, are undertaken by implementing ministries and agencies of GoI under Japanese ODA Loan. JICA promotes efficient use of loan money and, due to its mandate, needed to ensure that the project implementation was undertaken in an accountable, transparent and efficient manner in line with JICA guidelines and regulations and that the loans were properly used for the purpose of achieving each project's objectives.

As one of the actions to strengthen the monitoring mechanism for projects under Japanese ODA loan, GoJ, JICA and GoI established a M/C under the leadership of the Prime Minister's Advisory Commission (PMAC), the Ministry of Planning (MoP) and the Ministry of Finance (MoF). The first M/C meeting was held on July 22, 2008 in Baghdad with the presence of concerned officials of GoI, GoJ and JICA, where the M/C proved to be a very effective mechanism to expedite project implementation. Since 5th August 2009, UNDP has been actively playing a supporting unit role to the M/C, based on the Partnership Services for the Support Unit to the M/C on the Japanese ODA loans.

Intended objective:

The Partnership Services aimed to support and strengthen monitoring capacity and activities of the M/C, to ensure that projects were implemented in a transparent and accountable manner in accordance with JICA's rules and regulation, as well as those of GoI, in particular in procurement and financial management. The Partnership Services also aimed to assist the GoI and implementing agencies to strengthen their capacity to implement projects in procurement and financial management; and to execute the projects' budget as planned through UNDP's technical and procedural support in line with JICA's requirements. UNDP Iraq assessed the implementing projects of GoI and provided recommendations and technical support to GoI in order to develop efficient and effective project management.

Targeted Project

L/A No.	Implementing Ministry / Agency	Name
IQ-P1	MoT/GCPI	Port Sector Rehabilitation Project
IQ-P2	MoWR	Irrigation Sector Loan
IQ-P3	MoE	Al-Mussaib Thermal Power Plant Rehabilitation Project
IQ-P4	MoCH	Samawah Bridges and Roads Construction Project
IQ-P5	MoO	Engineering Service for Basrah Refinery Upgrading Project (E/S)
IQ-P6	MoIM/SCFSR	Khor Al-Zubair Fertilizer Plant Rehabilitation Project
IQ-P7	MoO/SoC	Crude Oil Export Facility Reconstruction Project
IQ-P8	MoE	Electricity Sector Reconstruction Project
IQ-P9	MoMPW	Basrah Water Supply Improvement Project
IQ-P10	KRG-MoE	Electricity Sector Reconstruction Project in Kurdistan Region
IQ-P11	KRG-MoMT	Water Supply Improvement Project in Kurdistan Region
IQ-P12	MoB	Baghdad Sewerage Facilities Improvement Project (E/S)
IQ-P13	MMPW	Water Supply Sector Loan Project in Mid-Western Iraq
IQ-P14	MoE	Al-Akkaz Gas Power Plant Construction Project
IQ-P15	KRG-MoE	Deralok Hydropower Plant Construction Project
IQ-P16	MoH	Health Sector Reconstruction Project
IQ-P17	MoC	Communication Network Development Project for Major Cities
IQ-P18	MoO	Engineering Services for Beiji Refinery Improvement Project (E/S)
IQ-P19	MoO	Basrah Refinery Upgrading Project

Note: IQ-P10 is only for the evaluation.

Expenditures under this agreement

The summary of expenditures under this agreement was as follows:

(USD)

Budget Category	Descriptions	Amount in the Agreement (Cost Estimation)	Amount
1	Project Personnel	495,600.00	486,600.00
2	UNDP Consultants	468,000.00	462,000.00
3	Capacity Building (Training) for Project Management Team	300,000.00	360,000.00
4	Travel expenses & DSA for missions	140,170.00	139,004.10
5	Indirect cost / Miscellaneous	63,180.00	72,380.21
6	Security	28,075.00	30,399.69
7	Agency Management Support Cost	104,652.00	108,526.88
Total		1,599,677.00	1,660,743.96
Total Invoice Amount (A)			1,599,677.00

Implementation Progress and Reviews

I. Support Unit to the M/C

1. LMT played an important role in the M/C in presenting analysis and recommendations identified through UNDP's monitoring activities in procurement management, financial management, organizational set-ups etc. Minutes of M/C in English were prepared and submitted to JICA, Embassy of Japan (EoJ) and GoI for official dissemination to all relevant ministries and agencies, with Arabic translation of the summary of the minutes. (Clause 2 of the Terms and Reference for Partnership Service for the Support Unit to the Monitoring Committee on the Japanese ODA Loan Project, hereinafter referred to as the "ToR")

M/C No.	Date	Venue
18 th M/C	21 February 2013	PMAC, Baghdad
19 th M/C	23 May 2013	PMAC, Baghdad
20 th M/C	20 August 2013	PMAC, Baghdad
21 st M/C	28 November 2013	PMAC, Baghdad

2. LMT conducted periodical required reporting in financial management, procurement management, contract management and organizational issues of the PMTs to oversight GoI entities (PMAC, MoP and MoF), and JICA on the occasion of the M/C. (Item 3.3 (f) of the ToR)
3. LMT's presentations were recognized as analytical and informative which contributed not only to the smooth implementation of the project, by each implementing ministry and agency, but also for strategic insights of the entire programme by oversight GoI entities. In each M/C meeting, LMT delivered following analysis and recommendations (Clause 2 and item 3.5 (c) of the ToR) ;
 - a. Review on the status of implementation of actions agreed in the previous M/C;
 - b. Issues raised during the preparatory meeting
(Tax exemption, Arabic translation for custom clearance, LA effectuation);
 - c. Overview on Progress of ODA Loan Projects;
 - d. Procurement and Contract Management issues;
 - e. Financial Management /Outstanding banking charges;
 - f. Reporting;
 - g. Tax Exemption; and
 - h. Code of Authorities
4. On 20 August 2013, the 20th M/C Meeting was held in Baghdad, celebrating its 5th anniversary. PMAC organized a press interview to Mr. Thamir Ghadhban, Chairman of PMAC and the M/C, Ms. Misako Takahashi, Minister Counselor of the Embassy of Japan, Mr. Shohei Hara, Chief Representative, JICA Iraq Office and Dr. Adam Abdelmoula, Country Director, UNDP-Iraq. Mr. Ghadhban appreciated that the progress of ODA loan projects is significant with mutual cooperation between GoI, GoJ and JICA. He also stated that UNDP is acting as an independent evaluator through the Partnership Agreement with JICA, the competent and professional Team has analyzed the progress of works and showed the weakness and strength in implementation of the projects, which helps the M/C to intervene in implementing ministries, Trade Bank of Iraq (TBI) and other parties to overcome obstacles.
5. The high level official mission of Ministry of Foreign Affairs and Ministry of Economy, Trade and Industry of Japan was delegated to the 21st M/C on 28

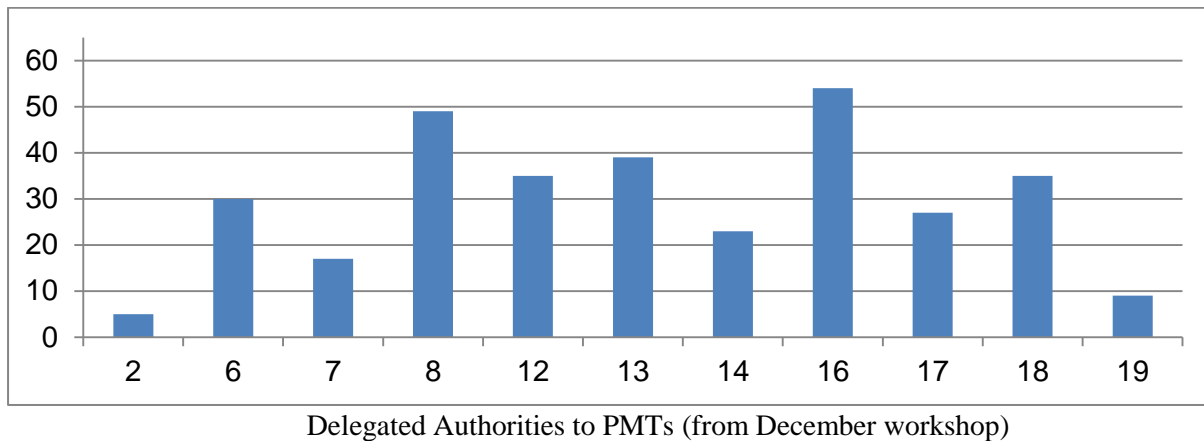
November 2013. The M/C and delegation confirmed the importance of mutual cooperation and GoJ's basic policy of assistance to Iraq that "Transition from post-conflict reconstruction to self-sustainable development".

6. ODA Workshops in Basra

South Oil Company (SOC) organized ODA workshops in Basra on 17 August 2013 for Crude Oil Export Facility Reconstruction Project (IQ-P7), which is one of the strategic projects for reconstruction of Iraq. This Workshop was organized to introduce how the project was implemented by ensuring transparency to people in Basra including parliament members and province council members. LMT made the presentation showing the monitoring and follow-up mechanism for the ODA loan projects in Iraq, the presentation provided the views of the progress of the projects in the process of the procurement and disbursement.

II. Preparatory Assistance for the ODA loan projects

1. LMT maintained major areas of (i) developing the criteria of assigning the PMT members, (i) Organizational Set-up, and (iii) establishing work procedures and coordination mechanisms.(Item 3.1 (a) of the ToR)
2. Since 2009, LMT conducted successive analyses and evaluations on the ODA Loan implementation set-ups and the related institutional capacities of the GoI to identify institutional weaknesses, capacity deficiencies, capacity development needs and to propose optimal organizational arrangements, including PMT structures, staffing, mode of functioning, work procedures and empowerment, in relation to the ODA projects. The ultimate purpose of these analyses and evaluations has been ensuring effective, efficient and timely implementation of the ODA Loan projects. LMT has submitted a proposed "Code of Authorities to the ODA Loan PMT Directors" to PMAC, and it is under the review and study of PMAC.(Item 3.1 (a) of the ToR)
3. During the 21st ODA Loan Monitoring Committee meeting held in November 2013, LMT proposed and the M/C agreed that the Proposed Code of Authorities shall be further discussed with the ODA Loan implementing PMTs and oversight ministries during December 2013. LMT conducted the "Project Management Towards 2014" workshop in Istanbul, Turkey in the period 17-19 December 2013 where a whole session was allocated to discuss the Proposed Code of Authorities with ODA Loan implementing PMTs, MoF and MoP. One of the outcomes of these discussions was the questionnaire that some participating PMTs responded to. LMT observed that i) PMTs' level of authorities has a large variance among PMTs where different procurement rules and regulations are applied, ii) PMT Directors' positions in implementing ministries determine the level of empowerment of PMTs and iii) access to top management is key. As a result, LMT recommends i) simplified Code of Authorities to fill the gap among PMTs with the prevailing mode of functioning and delegation of authority and ii) encouraging the awareness of ODA Loan schemes to decision-makers through workshop to deputy ministers level, especially for new projects.



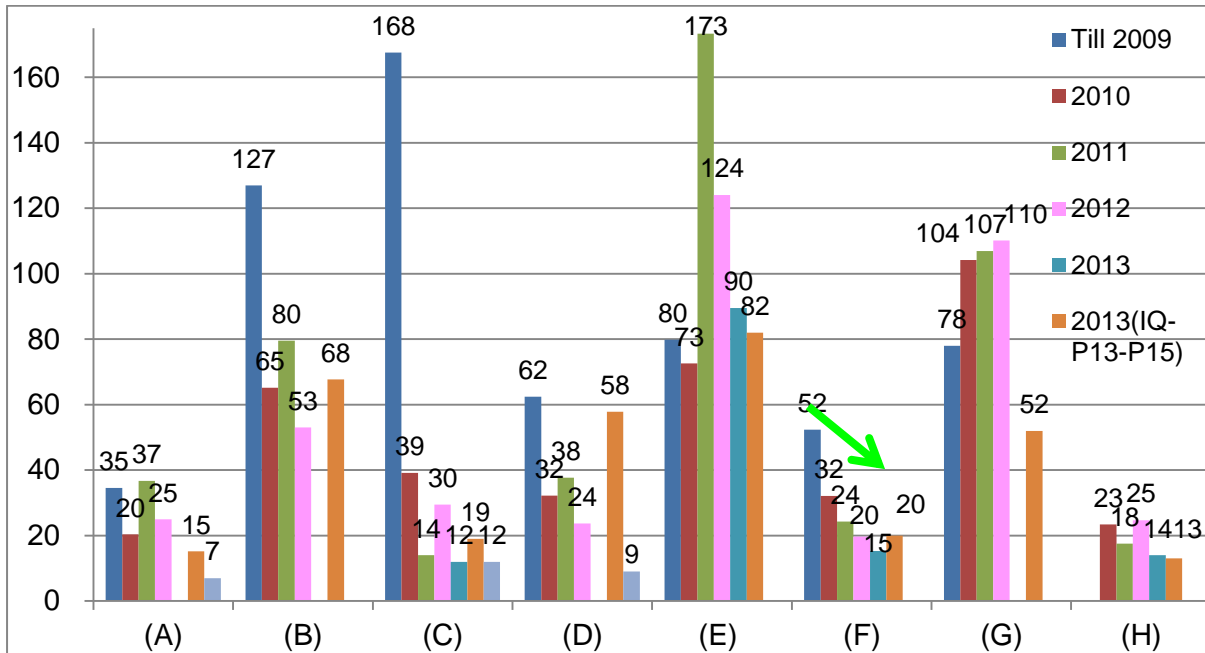
4. Overall project plan (Item 3.1 (b) of the ToR)
Japanese Yen (JPY) depreciated against the USD by more than 20% during the period of October 2012 to April 2013. It is critical to consider this trend into the budget. In case of cost overrun, the PMTs need to consider their Iraqi budget contributions in consultation with MoP.
5. Effectuation of the New Projects (Item 3.1 (d) of the ToR)
One of the major challenges for preparatory stage was the effectuation of the new projects. Loan Agreements for four projects¹ of which E/Ns signed in May 2012 between the GoI and GoJ, were signed on 14 October 2012 between GoI and JICA. All E/Ns were effectuated on 26 September 2013, L/As of IQ-P16-18 were effectuated on 26 November 2013 and of IQ-P19 was on 15 January 2014.

III. Procurement Management

As the result of LMT's monitoring activities on the Procurement Management, PMTs' understanding and compliance with JICA rules and regulations has improved, the timeliness of the procurement process, however, has areas of improvement. LMT will continually and carefully monitor and identify any bottlenecks with new and on-going projects.

1. Procurement Plan (Item 3.2 (a) and (b) of the ToR)
 - a. Submission of the Procurement Plan was one of the mandatory exercises for all PMTs as emphasized in the JICA ODA Seminar in February 2013. JICA/UNDP issued official letter on 5 April to request for submission of Procurement Plan to all PMTs. All required PMTs (8 projects) have submitted.
2. Procurement Management (Item 3.2 (c) and (d) of the ToR)
 - a. Procurement progresses were monitored through various monitoring activities. As the general tendency, the procurement process has been shortened year by year. PMTs, however, take time for preparation of those documents against targeted days especially on the contract negotiation. It requires clear understanding on the requirements for documentation by continuous capacity development.

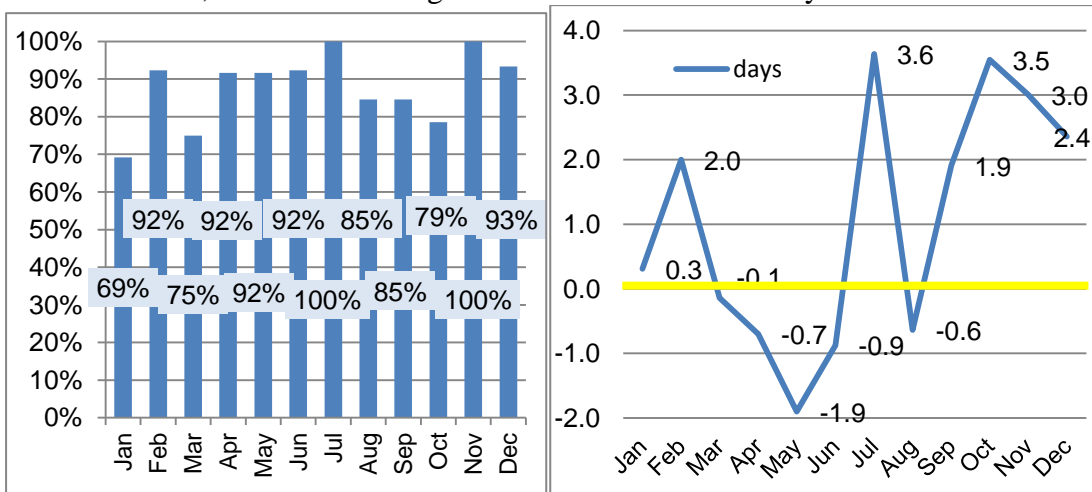
¹ Health Sector Reconstruction Project (IQ-P16), Communication Network Development Project for Major Cities (IQ-P17), Engineering Services for Beiji Refinery Improvement Project (IQ-P18) and Basrah Refinery Upgrading Project (IQ-P19)



(A) JICA's concurrence of PQ Document, (B) PQ Evaluation, (C) JICA's concurrence of PQ Evaluation, (D) JICA's concurrence of Bid Documents (E) Bid Evaluation, (F) JICA's concurrence of Bid Evaluation, (G) Contract Negotiation, (H) JICA's concurrence of Contract

Average duration for each Procurement Stage (As of 31 January 2014)

- b. IQ-P9, P13-P19 are at the procurement process. The verification of the procurement process in accordance with JICA guideline is the key for the monitoring activities of LMT, thus, LMT to attend the each procurement event, such as P/Q openings, pre-bid meeting and bid opening and report to JICA for the findings or bottlenecks in order to prevent deviation.
- 3. Monthly Progress Report (Item 3.2 (e) of the ToR)
 - a. Quality of reporting has been improved. This enabled JICA/LMT to capture more accurate information. On the other hand, the ratio and timeliness of submission are not constant, LMT to encourage PMTs to submit it in timely manner.



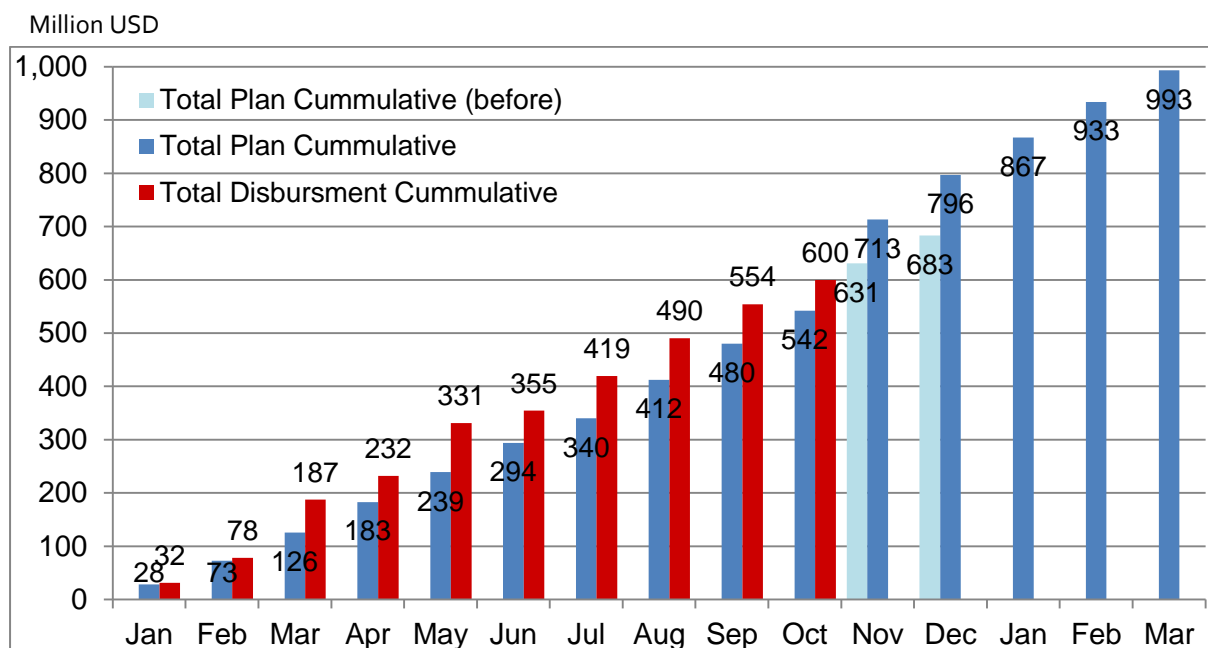
Ratio of Submission

Days of Submission

- b. PMTs implementing construction project indicated that the format of Monthly Progress Report is not adequate to report its progress, revising the format could be one of the tackling points under the next agreement.

IV. Financial Management

1. Disbursement Plan (Item 3.3 (a) and (d) of the ToR)
 - a. All PMTs were requested to submit a Disbursement Plan as emphasized in JICA ODA Seminar in Tokyo in February 2013 and all the Disbursement Plans have been submitted.
 - b. UNDP’s analysis found the conservative tendency on the Disbursement Plan for 2013 submitted by PMTs in the first year of 2013. The workshop for reviewing Disbursement Plan was held on 7 October 2013. As the result, PMTs revised their disbursement plan in accurate manner.

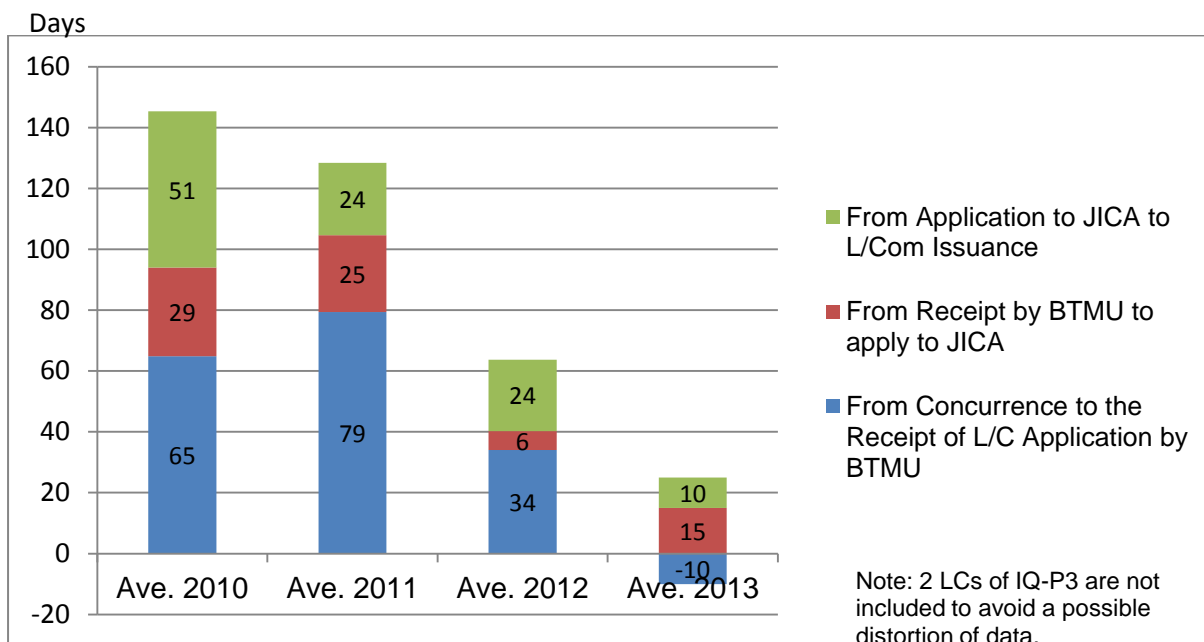


Plan does not include P16-19
Disbursement against Plan (As of 30 October 2013)

2. Disbursement of JFY
 - a. As a result of encouragement to accelerate the project implementation as well as disbursement. The final accumulated disbursement amount in the Japanese Fiscal Year (JFY) 2012 was USD500million – USD350 million by mid of February 2013 and USD150million was additionally accumulated by the end of March 2013. USD500 million of disbursement in JFY2012 is the 4th largest amount disbursed among all nations supported by JICA.
 - b. The progress of disbursement in JFY2013 is also good trend; the accumulated amount by December 2013 has been already reached USD441million and ranked as the 3rd largest amount disbursed among all nations supported by JICA.
3. LMT assesses the financial management processes of bookkeeping and information management system in the implementing agencies; and of the MoF in the limited areas of the Japanese ODA loan and provides the recommendations to JICA and the M/C. (Item 3.3 (c) and (d) of the ToR)

4. LMT continually monitors, assists and provides advice to the PMTs to comply the financial procedures with JICA’s applicable guidelines. (Item 3.3 (c) of the ToR)
5. LMT monitors the financial management procedures under each project, identifies any problems or malfunctions delaying the processes and provides advice and guidance to JICA and the M/C to resolve these issues.
6. Letter of Credit (LC) (Item 3.3 (b) of the ToR)

LMT played a key role in following-up financial issues with the Trade Bank of Iraq (TBI), Bank of Tokyo-Mitsubishi UFJ (BTMU), line ministries, as well as beneficiaries in some cases. This facilitated and accelerated the LC issuance and payment. The average duration of the issuance of L/C has been reduced from 145 days in 2010 to 15 days in 2013.



Average Duration of L/C Issuance for Main Component

V. Contract Management

1. Physical Monitoring on Site (Item 3.4 (a) and (c) of the ToR)
 - a. LMT acts on behalf of JICA in the physical monitoring of the implementation of each project through physical verification, timely site-visit monitoring missions and updating the progress of each project.
 - b. In 2012, LMT set up the modality that LMT consults with JICA to consolidate the agenda to be discussed on sites prior to mission and submits Mission reports to JICA.
 - c. Since the delivery of goods and services on sites is progressing, physical monitoring at sites are becoming very important to capture the actual situation and identify the issues to overcome. LMT has strengthened the cycle of the on-site monitoring activities to expand the coverage of monitoring activities on the progress of the projects and developed reporting format as well as supporting documents.
 - d. In addition to regular meetings with PMTs, LMT dispatched following 43 missions in 2013 intending to visit the site on the occasion of projects’ milestones,

event of procurement and observation of monthly physical progress. Despite of its efforts, LMT could not deliver the 100% of the reports in timely manner, therefore, will seek the method to provide more efficient and sufficient reports in 2014 with keeping the adequate cycle of missions in order to accomplish the submission of reports to JICA within 10 working days after missions.

No.	Project	Date	Description
1	IQ-P1	13 March 2013	Site Visit and Monitoring
2	IQ-P1	8 May 2013	Site Visit and Monitoring
3	IQ-P2	18 March 2013	Lot 2-2: Monitoring of Inspection
4	IQ-P2	13 May 2013	Lot 3: Monitoring of Inspection
5	IQ-P2	16 December 2013 9 January 2014	Lot 3: Monitoring of Inspection
6	IQ-P3	2 June 2013	Site Visit and Monitoring
7	IQ-P3	18 November 2013	Site Visit and Monitoring
8	IQ-P4	17-18 March 2013	Site Visit and Monitoring
9	IQ-P4	22 April 2013	Site Visit and Monitoring
10	IQ-P4	15 June 2013	Site Visit and Monitoring
11	IQ-P4	19 November 2013	Site Visit and Monitoring
12	IQ-P6	23 April 2013	Site Visit and Monitoring
13	IQ-P6	8 May 2013	Site Visit and Monitoring
14	IQ-P6	18 June 2013	Site Visit and Monitoring
15	IQ-P6	30 October 2013	Site Visit and Monitoring
16	IQ-P6	10 December 2013	Site Visit and Monitoring
17	IQ-P6	22 December 2013	Site Visit and Monitoring
18	IQ-P7	9 July 2013	Attendance of Monthly Progress Meeting
19	IQ-P7	16 August 2013	Preparatory Meeting for ODA Workshop in Basra
20	IQ-P7	17 August 2013	ODA Workshop in Basra
21	IQ-P7	29 October 2013	Site Visit and Monitoring
22	IQ-P7	22 Jan 2014	Attendance of Monthly Progress Meeting
23	IQ-P8	8 September 2013	Lot 5: Monitoring and Verification of Equipment
24	IQ-P8	28 October 2013	Lot 5: Monitoring and Verification of Equipment
25	IQ-P8	29 October 2013	Lot 2: Monitoring and Verification of Equipment
26	IQ-P8	19 November 2013 8-9 December 2013	Lot 1: Monitoring and Verification of Equipment
27	IQ-P8	19 November 2013 8 December 2013	Lot 2: Monitoring and Verification of Equipment
28	IQ-P9	7-8 May 2013	Meeting for Project Progress
29	IQ-P9	17 August 2013	Meeting for Project Progress
30	IQ-P11	14 May 2013	Meeting for explaining UNDP's Monitoring Activities

31	IQ-P11	11 June 2013	Meeting for Project Progress
32	IQ-P13	18 June 2013	PK 1-3 P/Q Opening
33	IQ-P14	17 June 2013	Meeting for Project Progress
34	IQ-P15	4 July 2013	Attendance of Bid-Opening (PK1)
35	IQ-P15	16 December 2013	Attendance of Pre-bid Meeting (PK2)
36	IQ-P16	17 June 2013	Pre-proposal Meeting
37	IQ-P16	31 July 2013	Attendance of Proposal Opening
38	IQ-P16	10 September 2013	Meeting for PMT's Capacity Building
39	IQ-P17	6 May 2013	Meeting for PMT's Organizational Set-up
40	IQ-P18	23 June 2013	Site-Visit and Monitoring
41	IQ-P18	26 June 2013	Pre-proposal Meeting
42	IQ-P19	17 June 2013	Site Visit and Monitoring
43	IQ-P19	30 November 2013	Site Visit and Monitoring

2. LMT included checkpoints of safety measures on the works from site monitoring mission since November 2012. LMT is continually enhancing the on-site monitoring mission in 2013 and intending to dispatch monthly missions to the projects at implementation stage. (Item 3.4 (b) of the ToR)
3. LMT has also started the monitoring and verification of utilization of procured equipment, the observation and findings are reported at the M/C Meeting. LMT to explore the method to ensure the adequate usage of the procured equipment for further recommendation the M/C.
4. Tax exemption and Custom levy waiver have been negatively impacting project implementation since last year and was recognized as cross-cutting issue at the M/C level. LMT has closely monitored the situation and provided suggestion and recommendation to the M/C, however, the custom clearance for non-Japanese company takes time. LMT organized workshop on 6 October 2013 to resolve the issues with the high officials of GoI. (Clause 2 and Item 3.4 (a) and (c) of the ToR)
5. LMT had also provided the report of the analysis and recommendations at the implementation stage of the specific projects upon the request of JICA and the M/C. (Clause 2 and Item 3.4 (d) of the ToR) JICA and LMT have started the quarterly meeting to share and update the information of project progress for close monitoring.

VI. Capacity Development

LMT supports the institutional capacity building of the implementing line ministries in procurement, project management and financial management wherever necessary. The capacity development is a key component of LMT's scope of work to tackle identified bottlenecks through monitoring activities.

1. JICA ODA Seminar (Item 3.5 (a) of the ToR)

LMT attended JICA ODA Seminar from 29 January to 5 February 2013 to assist JICA in facilitating the seminar as well as in delivering the presentations of Project Management and Review the project performance in JFY2012.

LMT attended JICA ODA Seminar from 29 January to 6 February 2014 to assist JICA in facilitating the seminar as well as in delivering the presentations of Project Management, Procurement Management, Contract Management, Financial Management and UNDP's Monitoring Activities.

2. UNDP Training Programme (Item 3.5 (b) of the ToR)

Responding the actual needs of PMT, which directly linked with the progress of projects, UNDP facilitated following trainings in 2013.

No.	Area	Name of Course	Date and Venue
1	Procurement	Bidding Process for the Selection of Contractor	27-30 October 2013, Basra
2		Advanced Contract Management (2 Groups)	25-29 August 2013 Basra 1-5 September 2013 Baghdad
3		Strategic Area of Procurement	22-24 September 2013, Erbil
4	Financial Management	Financial Management Training (Letter of Credit and Disbursement Plan)	8-12 December 2013, KL/Malaysia
5	Project Management	Project Management /Monitoring and Evaluation	2-4 July 2013 Basra

3. Proposed measure for Capacity Building (Item 3.5 (c) of the ToR)

a. LMT organized following two (2) workshops for sharing the learning experience among the PMTs in 2013 with defining the specific needs of the PMTs.

No.	Name of Course	Date and Venue
1	Enhancement of the Business Process for Japanese ODA Loan Projects (II)	6-7 October 2013, Baghdad
2	Project Management towards 2014	17-19 December 2013, Istanbul/Turkey

b. After more than five years of ODA loan's implementation, there are cross cutting issues despite the difference natures of the projects and of the implementing ministries and agencies. PMTs are accumulating the knowledge of tackling those issues from their project implementation. Some of the PMTs have developed effective methods to overcome the bottlenecks or difficulties in the actual context of Iraq. In addition to theoretical understanding of public procurement, sharing empirical knowledge will contribute to enhance the capacity development for PMTs. LMT confirmed the effective knowledge sharing among PMT through

conducted workshops and to establish the platform in more effective and optimal manner with consultation with JICA in 2014.

4. Capacity Building for Expansion the Knowledge (Item 3.5 (d) of the ToR)

The Ministry of Planning is mandated to provide monitoring to the governmental project. It is important to discuss with MoP how best two parties are able to coordinate to jointly dispatch on-site missions to the projects funded by Japanese ODA Loan. Success of such coordination will contribute to the capacity development of MoP at the same time. Though UNDP has initiated the dialogue with MoP and received positive feedback from DG of International Cooperation of MoP, no official response from MoP has been received.

VII. Performance Evaluation

LMT submitted 2012 annual performance evaluation of PMT to the Chairperson of M/C in February 2013 based on the agreed key performance indicators. The summary of scores is below.

ODA Loan Project	Implementing Ministry / Agency	PMT Organizational Efficiency/ Effectiveness	Procurement Management Performance	Contract Management Performance	Financial Management Performance	Reporting	Total
		(25 points)	(30 points)	(5 points)	(30 points)	(10 points)	(100 points)
IQ-P1	MoT/GCPI	19.0	24.0	1.5	28.4	10.0	82.9
IQ-P2	MoWR	4.5	13.2	0.8	9.3	8.0	35.8
IQ-P3	MoE	2.0	3.5	0.0	19.8	8.0	33.3
IQ-P4	MoCH	10.0	14.5	0.0	15.5	8.0	47.9
IQ-P5	MoO	4.5	3.5	0.0	17.0	8.0	33.0
IQ-P6	MoIM/SCFSR	13.0	13.0	0.0	15.9	8.0	49.8
IQ-P7	MoO/SoC	6.5	4.0	0.0	16.6	8.0	35.1
IQ-P8	MoE	16.5	19.7	0.8	20.8	10.0	67.8
IQ-P9	MoMPW	14.0	19.9	0.0	24.9	8.0	66.9
IQ-P10	KRG-MoE	17.0	14.6	4.0	23.3	8.3	67.2
IQ-P11	KRG-MoMT	16.0	11.9	0.0	14.6	8.3	50.9
IQ-P12	MoB	2.0	7.5	0.0	15.0	6.0	30.5
IQ-13	MMPW	13.0	16.0	0.0	14.5	10.0	53.5
IQ-P14	MoE	2.0	12.5	0.0	10.5	8.0	32.9
IQ-P15	KRG-MoE	16.0	5.0	0.0	4.3	8.3	33.7

IQ-P5/P12: only Engineering Services

As the result, following PMTs were identified as the best three performing PMTs in 2013.

- IQ-P1: Port Sector Rehabilitation Project (Ministry of Transport / General Company for Ports of Iraq)
- IQ-P8: Electricity Sector Reconstruction Project (Ministry of Electricity)
- IQ-P10: Electricity Sector Reconstruction Project in Kurdistan Region (Regional Ministry of Electricity in Kurdistan)

(Clause 3.6 of the ToR)

VIII. Consultation

LMT dispatched fact finding mission to JICA Tunisia Office in July 2013 for assisting JICA for customizing the successful monitoring mechanism in Iraq for other countries under Japanese ODA Loan. (Clause 3.7 of the ToR) LMT recommended that the ODA Loan programme in Tunisia would still need a centralized oversight since each ministry and agency has its own solid monitoring function and micro detailed tracking (monitoring) is being conducted. There is no need to duplicate this function at this very centralized system, but the oversight to follow progress and challenges and make recommendations, would be better in place. In any platform depending on the Tunisia's context, it is important to have the continuous regular dialogue to follow up policy development, portfolio management as well as project specific implementation as a living activity for flexible arrangement and continuous improvement.

IX. Recommendation and Lesson Learned

LMT recommends following points as way forward of the ODA loan projects;

1. Preparatory Assistance for the ODA loan projects
This is one of the critical elements for smooth implementation of the ODA loan projects; optimal organizational set-up of PMTs should be discussed among PMT directors, Oversight agencies, JICA and UNDP at the very beginning of projects to secure delegation of adequate authorities to PMTs. PMT directors should be DG level or more, even his/her engagement is in part-time. If not, it is important to obtain a strong support from senior officials of implementing ministries, deputy minister level, so that PMT directors may enjoy reasonable delegation of authorities or direct communication to top executive for speedy decision making.
2. Procurement Management
PMTs generally understand JICA's rules and regulations. To achieve more smooth and efficient management of procurement stage, PMT needs to acquire the philosophy behind and interpretation of the JICA's rules and regulations as well as international standards in order to apply those rules and regulations to their specific projects context in optimal manner. LMT will facilitate those learning opportunities for PMTs while enhancing their basic knowledge.
3. Financial Management
To enhance the capability of Financial Management, it is required to continually review PMTs' financial procedures and disbursement plans by both JICA and LMT and periodic feedbacks (e.g. quarterly basis) for improvement. LMT has to gradually up-grade the feedback mechanisms in this field.
4. Contract Management
PMTs are accumulating the knowledge and experiences on practical solutions to bottlenecks as well as risk-management. It is important to enhance the knowledge sharing platform among the PMTs along with the feedback of LMT's findings and observation in implementing stage.
5. Capacity Development

After the five years of implementing ODA loan Projects in Iraq, PMTs have accumulated experiences and knowledge and each PMT have their specific and diverse needs and demands for the capacity development. The training has been organized by targeting projects in similar implementation stage. Depending on their needs, the on-the-job trainings may need to be considered, such as reporting.

X. Project Cost

Project costs are broken down as table shown below. The expenditures were made in line with the Agreement between JICA and UNDP. All supporting documents were attached to the final invoice to JICA.

(1) Project Personnel

(US\$)

Item	Description	Unit Price	Quantity	Total
1.1.1	Program Manager (Program Management and JICA Loan Specialist (Amman))	18,000	7.2	129,600.00
1.1.2	Procurement Management Specialist (Amman)	18,000	11.5	207,000.00
1.2.1	Executive Manager (Liaison officer)	7,500	12.0	90,000.00
1.2.2	Program Assistant (Amman)	5,000	12.0	60,000.00
Total for Project Personnel				486,600.00

(2) UNDP Consultant

(US\$)

Item	Description	Unit Price	Quantity	Total
2.1.1	Capacity Development Specialist (Amman)	18,000	6.5	117,000.00
2.2.1	Procurement Management Team (Central Region)	7,500	12.0	90,000.00
2.2.1	Procurement Management Team (South Region)	7,500	10.0	75,000.00
2.3.1	Procurement Management Team (North Region)	7,500	12.0	90,000.00
2.3.2	Financial Specialist	7,500	12.0	90,000.00
Total for UNDP Consultant				462,000.00

(3) Capacity Building

(US\$)

Item	Descriptions	Unit Price	Quantity	Total
1	Provision of Trainer for Training No.1 (Crown Agents)	56,460.00	1.00	56,460.00
	Advance Payment for Training No.1 (24-29 Aug) (Dahlan Travel and Tours)	4,916.50	1.00	4,916.50
	Final Payment for Training No.1 (24-29 Aug) (Dahlan Travel and Tours)	10,728.90	1.00	10,728.90
	Payment for Training No.1 (1-5 Sep)	7,277.84	1.00	7,277.84
2	Provision of Trainer for Training No.2 (Crown Agents)	27,605.83	1.00	27,605.83
	Advance Payment for Training No.2 (Dahlan Travel and Tours)	11,524.12	1.00	11,524.12
	Final Payment for Training No.2 (Dahlan Travel and Tours)	17,025.62	1.00	17,025.62
3	Provision of Trainer for Training No.3 (Crown Agents)	18,367.06	1.00	18,367.06
	Advance Payment for Training No.3 (Dahlan Travel and Tours)	20,916.74	1.00	20,916.74
	Ticket Payment for Training No.3 (Dahlan Travel and Tours)	1,407.00	1.00	1,407.00
	Final Payment for Training No.3 (Dahlan Travel and Tours)	21,029.58	1.00	21,029.58
4	Provision of Trainer for Training No.4 (Crown Agents)	6,121.00	1.00	6,121.00
	Advance Payment for Training No.4 (Dahlan Travel and Tours)	8,836.80	1.00	8,836.80
	Final Payment for Training No.4 (Dahlan Travel and Tours)	6,058.16	1.00	6,058.16
5	Provision of Trainer for Training No.5 (Bank of Mitsubishi-Tokyo UFJ)	18,209.24	1.00	18,209.24
	Advance Payment for Training No.5 (Dahlan Travel and Tours)	17,940.00	1.00	17,940.00
	Tickets Payment for Training No.5 (Dahlan Travel and Tours)	38,584.00	1.00	38,584.00
	Pre-Payment for Training No.5 (Dahlan Travel and Tours)	48,640.00	1.00	48,640.00
	Final Payment for Training No.5 (Dahlan Travel and Tours)	3,700.00	1.00	3,700.00
6	Payment for Training No.6 (Dahlan Travel and Tours)	4,583.00	1.00	4,583.00
	Translation Payment for Training No.6 (Dahlan Travel and Tours)	657.00	1.00	657.00
7	Payment for Training No.7 (Plaza Holidays)	27,480.00	1.00	27,480.00
	Translation Payment for Training No.7 (Dahlan Travel and Tours)	24,767.00	1.00	24,767.00
Total for Capacity Building				402,835.39

(4) Travel

(US\$)

Mission No.	Name	Date		Destination	Purpose of Mission	Flight Tickets	DSA & Hazard Total	Terminal Total	Grand Total
		From	To						
1	Shigeru Handa	1/27/2013	2/11/2013	Tokyo	ODA Seminar	4,247.00	4,308.00	152.00	8,707.00
2	Shigeru Handa	2/17/2013	2/23/2013	Baghdad	18th M/C	1,114.00	1,695.00	98.00	2,907.00
3	Shigeru Handa	4/16/2013	4/19/2013	London	Meeting with Crown Agents	793.00	1,323.00	152.00	2,268.00
4	Shigeru Handa	5/6/2013	5/10/2013	Basra	Site Monitoring	968.00	1,423.00	98.00	2,489.00
5	Shigeru Handa	5/18/2013	5/24/2013	Baghdad	19th M/C	1,121.00	2,523.20	98.00	3,742.20
6	Shigeru Handa	6/11/2013	6/13/2013	Baghdad	Meeting with PMAC and JICA	790.00	873.80	98.00	1,761.80
7	Shigeru Handa	6/30/2013	7/7/2013	Tunis	Fact Finding Mission to JICA Tunisia Office	1,046.00	1,414.00	0.0	2,460.00
8	Shigeru Handa	7/9/2013	7/11/2013	Baghdad	Meeting with PMAC and JICA	970.00	873.80	98.00	1,941.80
9	Shigeru Handa	7/16/2013	7/18/2013	Baghdad	Meeting with PMAC and JICA	1,032.00	873.80	98.00	2,003.80
10	Shigeru Handa	8/15/2013	8/18/2013	Basra/ Baghdad	20th M/C	1,928.00	3,228.40	120.00	5,276.40
11	Shigeru Handa	9/8/2013	9/10/2013	Baghdad	Meeting with PMAC	1,056.50	873.80	98.00	2,028.30
12	Shigeru Handa	10/5/2013	10/9/2013	Baghdad	Workshop	1,110.00	1,695.00	98.00	2,903.00
13	Shigeru Handa	11/24/2012	11/29/2012	Baghdad	21st M/C	967.00	2,105.60	98.00	3,170.60
14	Shigeru Handa	12/7/2013	12/13/2013	KL	Financial Management Training	0.00	2,148.00	98.00	2,246.00
15	Shiori Otan	4/16/2013	4/21/2013	London	Meeting with Crown Agents	793.00	1,323.00	152.00	2,268.00
16	Shiori Otan	5/6/2013	5/12/2013	Basra	Site Monitoring	968.00	2,108.20	98.00	3,174.20
17	Shiori Otan	5/18/2013	5/28/2013	Baghdad	19th M/C	1,846.00	4,158.60	98.00	6,102.60
18	Shiori Otan	7/1/2013	7/8/2013	Basra	Procurement Training	970.00	2,450.80	98.00	3,518.80
19	Shiori Otan	8/17/2013	8/30/2013	Baghdad / Basrah	20th M/C and Procurement Training	1,474.00	4,213.80	120.00	5,807.80
20	Shiori Otan	9/23/2013	10/1/2013	Erbil	Procurement Training	0.00	1,160.00	152.00	1,312.00

Mission No.	Name	Date		Destination	Purpose of Mission	Flight Tickets	DSA & Hazard Total	Terminal Total	Grand Total
		From	To						
21	Shiori Otan	10/5/2013	10/8/2013	Baghdad	WS	1,029.00	1,284.40	98.00	2,411.40
22	Shiori Otan	10/25/2013	10/31/2013	Basra	Procurement Training and Site-Visit	1,206.00	2,108.20	98.00	3,412.20
23	Shiori Otan	11/23/2013	11/29/2013	Baghdad	21st M/C	967.00	2,516.20	98.00	3,581.20
24	Shiori Otan	12/16/2013	12/19/2013	Istanbul	Workshops	0.00	900.00	98.00	998.00
25	Shiori Otan	41,666.00	41,678.00	Tokyo	ODA Seminar	4,181.00	3,840.00	0.0	8,021.00
26	Sana Sharbati	2/17/2013	2/23/2013	Baghdad	18th M/C	1,030.00	2,148.00	98.00	3,276.00
27	Sana Sharbati	9/22/2013	10/3/2013	Erbil	Procurement Training/ Site Monitoring	0.00	1,450.00	152.00	1,602.00
28	Sana Sharbati	12/5/2013	12/13/2013	KL	Financial Management Training	0.00	2,272.00	98.00	2,370.00
29	Noora Anaya	7/1/2013	7/5/2013	Basra	Project Management Training	0.00	1,160.00	0.00	1,160.00
30	Noora Anaya	10/26/2013	10/31/2013	Basra	Procurement Training	0.00	1,450.00	0.00	1,450.00
31	Noora Anaya	12/16/2013	12/20/2013	Istanbul	Workshop	0.00	1,200.00	98.00	1,298.00
32	Jabbar Al-Haideri	1/28/2013	2/6/2013	Tokyo	ODA Seminar	1,787.00	3,231.00	152.00	5,170.00
33	Jabbar Al-Haideri	2/18/2013	2/22/2013	Baghdad	18th M/C	0.00	1,432.00	0.00	1,432.00
34	Jabbar Al-Haideri	8/18/2013	8/22/2013	Baghdad	20th M/C	0.00	1,432.00	0.00	1,432.00
35	Jabbar Al-Haideri	9/24/2013	10/1/2013	Erbil	Procurement Training	0.00	870.00	0.00	870.00
36	Jabbar Al-Haideri	11/22/2013	11/26/2013	Baghdad	21st M/C	0.00	1,432.00	0.00	1,432.00
37	Auday Tawfeek	1/28/2013	2/6/2013	Tokyo	ODA Seminar	1,383.00	3,231.00	152.00	4,766.00
38	Auday Tawfeek	8/24/2013	8/30/2013	Basra	Procurement Training	0.00	1,740.00	0.00	1,740.00
39	Auday Tawfeek	12/6/2013	12/13/2013	KL	Financial Management Training	0.00	1,988.00	98.00	2,086.00
40	Sabri Yousif Al-Shahtool	4/21/2013	4/24/2013	Samawah/ Basra	Site Monitoring	0.00	870.00	0.00	870.00
41	Sabri Yousif Al-Shahtool	5/6/2013	5/9/2013	Basra	Site Monitoring	0.00	870.00	0.00	870.00

Mission No.	Name	Date		Destination	Purpose of Mission	Flight Tickets	DSA & Hazard Total	Terminal Total	Grand Total
		From	To						
42	Sabri Yousif Al-Shahtool	6/23/2013	6/23/2013	Beiji	Site Monitoring	0.00	290.00	0.00	290.00
43	Sabri Yousif Al-Shahtool	6/25/2013	6/28/2013	Erbil	Site Monitoring	0.00	870.00	0.00	870.00
44	Sabri Yousif Al-Shahtool	7/1/2013	7/5/2013	Basra	Procurement Training	0.00	1,160.00	0.00	1,160.00
45	Sabri Yousif Al-Shahtool	11/18/2013	11/20/2013	Samawa	Site Monitoring	0.00	580.00	0.00	580.00
46	Sabri Yousif Al-Shahtool	1/27/2014	2/7/2014	Tokyo	ODA Seminar	1,784.00	3,520.00	152.00	5,456.00
47	Mustafa Roomani	9/23/2013	10/3/2013	Erbil	Procurement Training and Site-Visit	0.00	1,740.00	0.00	1,740.00
48	Mustafa Roomani	10/27/2013	10/29/2013	Basra	Site Monitoring	0.00	580.00	0.00	580.00
49	Mustafa Roomani	11/17/2013	11/19/2013	Hilla Mussaib Samawa	Site Monitoring	0.00	580.00	0.00	580.00
50	Mustafa Roomani	12/15/2013	12/20/2013	Erbil/Istanbul	Site Monitoring/Workshop	1,004.00	2,650.00	136.00	3,790.00
51	Mustafa Roomani	1/27/2014	2/7/2014	Tokyo	ODA Seminar	1,784.00	3,520.00	152.00	5,456.00
52	Humam Mosconi	7/1/2013	7/5/2013	Tunis	Fact Finding Mission to JICA Tunisia Office	1,206.00	808.00	152.00	2,166.00
	Total					40,554.50	94,495.60	3,954.00	139,004.10

(END)

Attachment

Category	Description		Date	Relevant Documentations	Attachment No.
Agreement	Agreement and TOR		8 January 2013	Agreement	1
Monitoring Committee	18 th Monitoring Committee		21 February 2013	Presentation Minutes of Meeting	2
	19 th Monitoring Committee		23 May 2013	Presentation Minute of Meeting	3
	20 th Monitoring Committee		20 August 2013	Presentation Minutes of Meeting	4
	21 st Monitoring Committee		28 November 2013	Presentation Minutes of Meeting	5
On-Site Monitoring Mission	P1	Site Visit and Monitoring	13 March 2013	Site Visit Report	6
	P1	Site Visit and Monitoring	8 May 2013	Site Visit Report	7
	P2	Lot 2-2: Monitoring of Inspection	18 March 2013	Site Visit Report	8
	P2	Lot 3: Monitoring of Inspection	13 May 2013	Site Visit Report	9
	P2	Lot 3: Monitoring of Inspection	16 December 2013 9 January 2014	Site Visit Report	10
	P3	Site Visit and Monitoring	2 June 2013	Site Visit Report	11
	P3	Site Visit and Monitoring	18 November 2013	Site Visit Report	12
	P4	Site Visit and Monitoring	17-18 March 2013	Site Visit Report	13
	P4	Site Visit and Monitoring	22 April 2013	Site Visit Report	14
	P4	Site Visit and Monitoring	15 June 2013	Site Visit Report	15
	P4	Site Visit and Monitoring	19 November 2013	Site Visit Report	16
	P6	Site Visit and Monitoring	23 April 2013	Site Visit Report	17
	P6	Site Visit and Monitoring	8 May 2013	Site Visit Report	18
	P6	Site Visit and Monitoring	18 June 2013	Site Visit Report	19
	P6	Site Visit and Monitoring	30 October 2013	Site Visit Report	20
	P6	Site Visit and Monitoring	10 December 2013	Site Visit Report	21
	P6	Site Visit and Monitoring	22 December 2013	Site Visit Report	22
	P7	Attendance of Monthly Progress Meeting	9 July 2013	Site Visit Report	23
	P7	Preparatory Meeting for ODA Workshop in Basra	16 August 2013	Site Visit Report	24
	P7	ODA Workshop in Basra	17 August 2013	Site Visit Report	6
P7	Site Visit and Monitoring	29 October 2013	Site Visit Report	7	
P7	Attendance of Monthly Progress Meeting	22 Jan 2014	Site Visit Report	8	
P8	Lot 5: Monitoring and Verification of Equipment	8 September 2013	Site Visit Report	9	
P8	Lot 5: Monitoring and Verification of	28 October 2013	Site Visit Report	10	

Category	Description	Date	Relevant Documentations	Attachment No.
	Equipment			
P8	Lot 2: Monitoring and Verification of Equipment	29 October 2013	Site Visit Report	11
P8	Lot 1: Monitoring and Verification of Equipment	19 November 2013 8-9 December 2013	Site Visit Report	12
P8	Lot 2: Monitoring and Verification of Equipment	19 November 2013 8 December 2013	Site Visit Report	13
P9	Meeting for Project Progress	7-8 May 2013	Site Visit Report	14
P9	Meeting for Project Progress	17 August 2013	Site Visit Report	15
P11	Meeting for explaining UNDP's Monitoring Activities	14 May 2013	Site Visit Report	16
P11	Meeting for Project Progress	11 June 2013	Site Visit Report	17
P13	PK 1-3 P/Q Opening	18 June 2013	Site Visit Report	18
P14	Meeting for Project Progress	17 June 2013	Site Visit Report	19
P15	Attendance of Bid-Opening (PK1)	4 July 2013	Site Visit Report	20
P15	Attendance of Pre-bid Meeting (PK2)	16 December 2013	Site Visit Report	21
P16	Pre-proposal Meeting	17 June 2013	Site Visit Report	22
P16	Attendance of Proposal Opening	31 July 2013	Site Visit Report	23
P16	Meeting for PMT's Capacity Building	10 September 2013	Site Visit Report	24
P17	Meeting for PMT's Organizational Set-up	6 May 2013	Site Visit Report	
P18	Site-Visit and Monitoring	23 June 2013	Site Visit Report	
P18	Pre-proposal Meeting	26 June 2013	Site Visit Report	
P19	Site Visit and Monitoring	17 June 2013	Site Visit Report	
P19	Site Visit and Monitoring	30 November 2013	Site Visit Report	
Training	Advance Contract Management (2 Groups)	25-29 August 2013, Basra 1-5 September 2013, Baghdad	Presentation	25
	Strategic Area of Procurement	24-26 September 2013	Presentation	26
	Bidding Process for the selection of Contractors	27-30 October 2013	Presentation	27

Category	Description	Date	Relevant Documentations	Attachment No.
	Project Management	2-4 July 2013	Presentation	28
	Financial Management Training	8-12 December 2013	Presentation	29
Workshop	Enhancement of the Business Process for Japanese ODA Loan Projects (II)	6-7 October 2013	Minutes of Meeting	
	Project Management towards 2014	17-19 December 2013		
Reporting	Monthly Progress Report	Every month	Feedback to MPR	31
Others	JICA ODA Seminar	10-19 January 2012	Presentations	32
	Performance Evaluation 2011	7 February 2012	Evaluation Report	33
	Proposed Code of Delegation of Authority	19 July 2012	Document	34
	One Day Workshop	19 September 2012	Presentations Minutes of Meeting	35