

United Nations
Development Programme
Iraq



Monthly Progress Report

May 2008



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1. TAJI – REHABILITATION OF GAS TURBINE UNITS 1, 4 & 6 (3 X 20 MW)

Funded from: UNDG-ITF (Government of Japan)

Project Budget: USD25.891 million

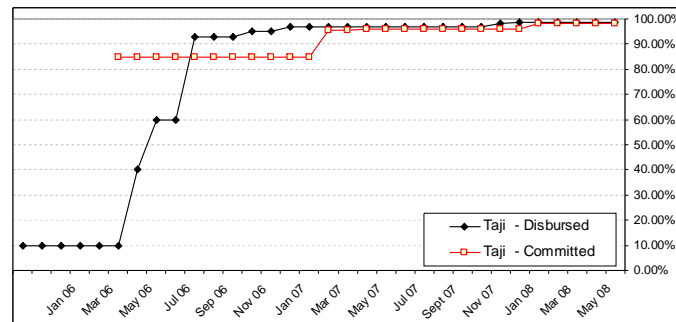
Originally Scheduled completion date April 2007

Estimated Project completion date: November 2008

Progress as of May 2008:

Percentage of Funds Committed: 99%

Percentage Disbursed: 98%



Project Summary and Justification

Rehabilitation of gas turbine units 1, 4 and 6, and provision of spare parts necessary for two to three years. Though the design output of Taji Gas Power Station is 175 MW, the current output varies from 30 to 90 MW.

Achievements / Quality Assessment

- 12 engineers from Taji and Mosul were trained in Japan.
- 1 technical adviser (Iraqi) trained in Japan for rehabilitation/ commissioning
- 40 un-skilled/semi skilled workers were provided with on the job training.
- 40-60 persons were employed during rehabilitation/commissioning works.
- Equipment: 175 tons delivered to Iraq.
- Works on all units completed, although energizing has not yet been possible due to unavailability of fuel.
- Follow-up monitoring indicates Unit No. 1 has been running satisfactorily on oil during May 2008 at 18MW

Identified Risks and Mitigation Measures

- Security: Security situation may delay many parts of the project (assessment, delivery, works and inspections)
- Strategic – Partnership failing to deliver: difficulty in negotiating successfully with contractor and obtain the delivery of the full scope of work within the budget allocated.

Project Issues and Remedial Actions

- In 2006, the gas pipeline supplying fuel to Taji Power Station was sabotaged. With modifications described below, alternative fuel was used. However, operation cannot be optimal unless the pipeline is repaired.
- Since gas was not available due to the sabotage, the units could not be energized upon completion of works.
- Unit No. 1 was converted to oil firing and energized according to a request from MoE.
- MoE /Taji also requested conversion of Unit No. 6 to oil firing for which approval is obtained.
- Due to these changes in scope of work, the project was delayed.
- On 14 January 2007, approx 15 km from the power plant, 4 employees of a subcontractor were close to Taji kidnapped and murdered. Work was suspended for several weeks and brought about a 2-month delay.
- Due to security situation, conversion of Unit No. 6 to oil may also face delay.

Completed Activities

- Contract with Hitachi signed on 25 May 05. Project kick-off meeting with all concerned parties was held in UNDP Amman Office 24 -28 July 05. A contract amendment was later signed on 27 February 06.

- Training of audio, video and teleconferencing system (AVT) System security for MoE site personnel was successfully carried out in UNDP Nicosia Sub-Office in March 06.
- Coordination and supervision of factory-witness tests in Japan of selected equipment included within the scope of the Taji contract, successfully completed during March – April 06.
- Coordination and supervision of the MoE technical training programme held in Japan, including hosting MoE trainees' groups on their way to and from Japan. The programme included:
 - General Training – 3-14 April 06.
 - Combined gas turbine control system – 10-21 April 06.
- A request from the Taji power station management to rehabilitate Unit 2, 3 or 5 instead of Unit 4 was considered. Bearing in mind the pace of progress, it was not found feasible to substitute units at this stage.
- All the shipments of material was delivered within schedule and stored in the custody of Hitachi.
- All works on site preparation, disassembly, reassembly, testing and commissioning were completed for **Unit No.4** and Certificate of final completion was issued. The unit could not be energized due to gas unavailability. Negotiations were held to explore commissioning of the unit when gas becomes available. MoO could not guarantee a date for this.
- All works related to reassembly of **Unit No. 6** were completed as well as pre-commissioning tests. The unit couldn't start due to fuel unavailability at the power station. Certificate of substantial completion was issued for this unit in April 2007 after receiving confirmation from station manager and discussions with Hitachi. Payment to Hitachi was certified subsequently.
- Dis-assembly and re-assembly works of **Unit No. 1** were completed. After all pre-commissioning tests were completed except for those that could not be done due to non-availability of fuel at the station. The Taji Power Plant Manager and MoE conveyed their intention to energize this Unit on liquid fuel. Hitachi made arrangement to assist MoE Taji engineers to prepare the unit for firing on liquid gas fuel.
- Drawings and manuals received from Hitachi were delivered to Taji for future reference. Taji confirmed that they were received at MoE from where the delivery would be taken by Taji.
- A three party meeting was held in Amman, attended by Hitachi, UNDP, Taji GPS and Mosul Representatives. Taji / MoE confirmed at the meeting that all the tests required were completed, Certificate of Substantial Completion signed, invoice verified and request for payment dispatched.
- Hitachi assisted station staff in energizing **Unit No.1** on liquid fuel and commissioning tests were conducted in December 2007. Unit No.1 was energized on liquid fuel after completion of all related works and pre-commissioning tests. Unit was loaded to 19 MW. Payment for this exercise was released in February.
- Additional works required to complete the rehabilitation have been confirmed by Taji and MoE.
- Contract Amendment for works involved for oil firing of Unit No. 6 and Unit No.1 was submitted.
- Certificate of Final completion for Unit No. 6 was issued.

Activities/Achievements during the month

- Four meetings were held with Hitachi during the month for finalizing various issues related to price justification of works and material, and conversion of Unit No. 6 on oil firing.

Future activities / Milestones

- Post commissioning monitoring of operation of Unit No. 1 after energizing the unit on liquid fuel.
- Final report is in advance stage of compilation. Work will continue on the report.
- Contract amendment for: a) Conversion of Unit number 1 & 6 on oil firing and other additional works

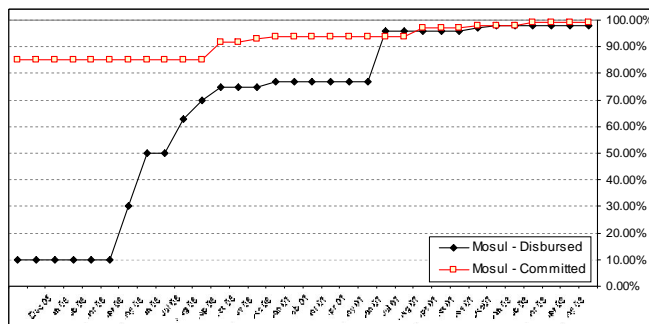
2. MOSUL – REHABILITATION OF GAS TURBINE UNITS 2 & 4 (2 X 20 MW)

Funded from:	UNDG-ITF (Government of Japan)
Project Budget:	\$17.585 million
Originally Scheduled completion date	February 2007
Estimated Project completion date:	November 2008

Progress as of May 2008:

Percentage of Funds Committed: 99%

Percentage Disbursed: 98%



Project Summary and Justification

The entire population of Mosul (exceeding 1 million) depends on power supply from Mosul Gas Power Station (design station output is 300 MW; current output varies from 90 to 150 MW). This project aimed to rehabilitate turbine units 2 & 4 and provide specific spare parts necessary for at least 2-3 years of trouble-free plant operation.

Achievements / Quality Assessment

- 9 plant engineers trained in Japan.
- 1 technical adviser (Iraqi) of Hitachi was trained in Japan for rehabilitation/commissioning works.
- 50 unskilled/semi skilled workers were provided on the job training.
- 3 engineers have been trained in Amman on commissioning of Units.
- 40-50 persons were provided employment during rehabilitation commissioning works.
- Equipment: 104 tons delivered to Iraq.
- Regular post commissioning monitoring indicates **Units 2 and 4** operating satisfactorily.

Identified Risks and Mitigation Measures

- Security: Security situation is a constant risk.
- Operational – complexity: Change of scope coming late in the project cycle. Supply of additional spare parts contracted at the request of MoE / Mosul may cause delay.

Updated Issues and Remedial Measures

- An unexpected need for additional turbine oil was addressed by emergency shipment from Taji where this commodity was readily available. However, security incidents in Taji delayed the shipment by an estimated 2 months.
- Gas pressure is generally low and fluctuating, sometimes limiting output at 15MW.

Completed Activities

- The Contract with Hitachi was signed on 25 May 2005 and a Project kick-off meeting with all concerned parties was held in UNDP Amman office 24-28 July 2005.
- Regular coordination meetings with HTC and MoE were organized and held in Amman and Nicosia Sub-Office, (4 consecutive meetings were organized).
- Completion of work related to Contract Amendment for Mosul Rehab. Project – relevant documents were signed by UNDP on 27 February 06.

- AVT System security training for MoE site personnel carried out in UNDP Nicosia Sub-Office in March 06.
- Coordination and supervision of factory-witness tests in Japan of selected equipment included within the scope of the Mosul contract, completed March – April 06.
- Coordination and supervision of the MoE technical training programme held in Japan:
 - General training – 3-14 April 06.
 - Combined gas turbine control system training – 10-21 April 06.
- All the equipment arrived at site, site preparation works were completed, materials were securely stored and the rehabilitation works were started, all as per schedule.
- Technical adviser who was under training with Hitachi returned back from Japan as per schedule.
- Rehabilitation of **Unit No. 4** was completed as scheduled and commissioned on 18 October 06.
- Turbine oil and thermocouples were delivered to site for filling and installation.
- **Unit No. 2** was energized and synchronized with the system. Substantial completion certificate for this Unit was issued after receiving confirmation from the station manager. The Unit is running satisfactorily.
- Three party meeting in Amman could not be attended by the Mosul representative due to an immigration problem. A video conference was then arranged, attended by Hitachi, UNDP in Amman and Manager of Mosul in Mosul. The problems of **Unit No. 4** and the need of list of essential spare parts were discussed.
- Hitachi delivered the drawings and manuals, which were then delivered to Mosul, as well as the finalized list of emergency parts and quotation. Contract for supply of additional emergency spare parts was then processed.
- On receipt of export / re-import permit from Mosul, arrangements were finalized for shipping the rotor to Japan for repairs at Hitachi Works.
- All the punch list items of Mosul were cleared and certificate of final completion was issued for **Unit No. 4** after expiry of defect liability period.
- All documentation was completed for custom duties waiver required for delivery of Load Coupling supplied by Hitachi. Coordination between the transporter and Hitachi for transport of load coupling from Belgium.
- Rotor of **Unit No. 4** was lifted from Mosul and was sent in February 08 and was received safely in March 08 at Hitachi workshop in Japan.
- Additional drawings and documents were delivered to Mosul by Hitachi in February 08.
- Load coupling was transported, delivered and install to Mosul on Unit No. 2.
- Hitachi have inspected the damaged rotor and requested technical clarification from Mosul. A team of engineers and commercial representatives of Hitachi discussed and agreed on a scope of works.

Activities during the month

- Meetings were held with Hitachi representatives from Japan on the issue of certificate of final completion for unit number 2 and delivery of CD ROM as requested by Mosul for drawings and manuals.
- The scope of repair to rotor of Unit No. 4 was finalized by Hitachi and repairs are to start soon.
- Certificate of final completion of Unit. 2 has been issued.
- Compilation of final report of the project is in progress.

Future Activities

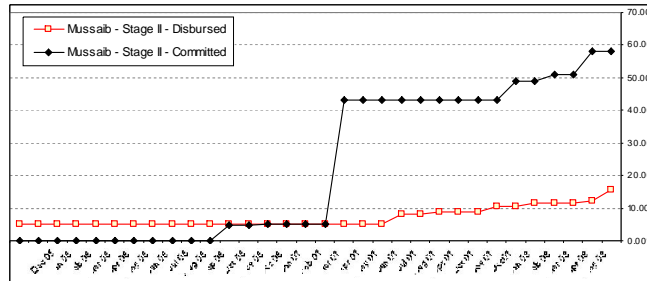
- Post commissioning monitoring of operation of Unit. No.2 and 4 will continue.
- Delivery of Servo Valve will be followed with Hitachi for Mosul
- Repair rotor of Unit No. 4 at Hitachi Workshop.
- Final report and financial closure.

3. AL-MUSSAIB TPS MUSSAIB EMERGENCY REHABILITATION OF UNIT 1, STAGE II (1 X 300MW)

Funded from: UNDG-ITF (Government of Japan)
Project Budget: \$33 million
Originally Scheduled completion date March 2007
Estimated Project Completion Date: June 2009

Progress as of May 2008:

Percentage of Funds Committed: 58%
 Percentage Disbursed: 15.75%



Note: small operational expenses (staff salaries and premises rental) as well as advance payments are not always registered as commitment. Therefore disbursement can temporarily exceed commitment.

Summary and Justification

Mussaib Unit 1 is responsible for 4.5% of the available electricity generating capacity in Iraq, which proves its rehabilitation vital for returning electricity to the Iraqis. As Mussaib Station has 4 identical units with similar problems, correcting the problems in Unit 1 could increase 18 % of Iraq’s power generation

Achievements / Quality Assessment

- VSAT System installed in 3 locations inclusive of training
- 125 tonnes of equipment were delivered to Mussaib in a first shipment of 12 containers

Identified Risks and Mitigation measures

- Security: Security situation around Mussaib can cause further delays in shipments
- Operational: Other rehabilitation works conducted at Mussaib may impose constraints on this project

Updated Issues and Remedial Actions

- The estimated delay is based on extensions in negotiations with the main contractor and on the congestion in the world steel market resulting in prolonged delivery periods for major equipment.

Completed Activities

- Initial review held with Hitachi, the main contractor/supplier, on scope of parts supply under Stage II Part A (long-lead items) based on their input provided in August / September, and a partial price quotation on these items was received on 8 November 2005. 10 days later, initial input on market prices for the equipment by the engineering consultant was received. UNDP reviewed the price in January 2006 and received the consolidated quotation for Stage II Parts on 3 February, both provided by the supplier.
- UNDP invited Hitachi to further revise its offer in regard to the price and the scope of supply in March 2006, and Hitachi submitted its final offer on 24 March. For the first part and on 11 and 12 April for the second part. UNDP completed its detailed price analysis of the Hitachi and Hyundai Stage II quotations and revised the scope of supply to fit within the required project budget limitations in May 2006.
- Detailed lists covering the parts and equipment to be supplied under the proposed revised scope were prepared for discussion with MoE. The lists also indicated where additional information was required from the station in order to prepare the necessary technical documentation for procurement. The lists covering the

proposed final scope of supply were issued to MoE in June 2006. In July, Meetings were held with the MoE station staff via the VSAT system to discuss the lists of scope of supply in detail.

- NDP met with the Embassy of Japan in August 2006 on the issue of high prices by the main supplier which led UNDP and MoE to reduce the scope of works for stage II.
- Meetings to determine the main suppliers' scope of supply were requested by the Embassy of Japan in September 2006. 9-23 October technical meetings took place between Hitachi and UNDP to determine the technical specifications for the total scope of supply of parts and equipments. Subsequently, the scope of supply was precisely described and every item was specified.
- On 13 November price identification meetings started between Hitachi and UNDP to determine the price level of parts and equipments as identified during the previous technical meetings. The prices for all parts were analyzed and most of them identified as not being in line with international market prices.
- Project schedules submitted by Hitachi showed that implementation work was scheduled from mid 2008 for approx 9 months. Due to security uncertainty at the time when inland transportation and site implementation work were to take place, it was not possible to identify their costs during these meetings. Hitachi also didn't agree to seek Iraqi local contractors before having met with MoE. UNDP and Hitachi agreed to arrange a meeting with MoE staff to identify the scope of supply MoE was prepared to take care of.
- On 7 December a videoconference was held between Hitachi and UNDP in the presence of the Japanese First Secretary. During this conference the status of negotiations between Hitachi and UNDP was clarified and the way forward decided.
- Due to a turbine shut down on Unit No.2 the Mussaib engineers were not authorized to travel to Amman for the meeting scheduled on 21 January 2007. A video conference was instead held with the Mussaib engineers and the scope of supply was explained
- A meeting between MoE, Hitachi and UNDP was held 26 February - 1 March. Agreement was reached on the scope of supply and the division of site implementation work, as well as to discuss at a later stage about transportation, training and site implementation.
- Meetings for contract negotiations between Hitachi and UNDP were held 4-15 March. Agreement was reached to conclude a FOB Parts supply contract of USD 12,085,179, which was signed on 24 April 07.
- Meetings were held with Hitachi 22 October - 1 November, and an agreement was reached on 31 October between UNDP and Hitachi to conclude a contract for additional parts and equipment for an amount of \$1,546,898 and special implementation Training for 10 I&C and mechanical engineers for \$720,923. At the same time an Umbrella agreement covering the remaining contract period of nearly 24 months was also approved. The three ccontract agreements were signed on December 13th.
- In February, the Japanese Inspection company OMIC was selected for the pre-shipment inspections of Shipment No. 1 to 4, and performed the first pre-shipment inspections for shipment No.1.
- In February 2008, the VSAT satellite system was re-installed and re-commissioned in the new UNDP office in Amman. The Iraqi site of Hilla office was re-configured and re-connected to the system. A first videoconference was held with the general director of generation department of the Euphrates region.
- The VSAT satellite system in Mussaib TPS was re-commissioned and the satellite link re-established.
- Trainees were selected for the auxiliary equipment training to take place in the beginning of May.
- The first shipment (12 containers charged with a weight of 125 tons) is expected in Aqaba on 2 April.
- A videoconference was held on 24 March with the general director of generation department of the Euphrates region to organise transport to Mussaib. MoE agreed to put security escorts at UNDP's disposal.
- Shipment No.1 arrived in Aqaba Port and was forwarded to Zarqa Free Zone awaiting transport to Mussaib.
- A meeting was held on April 17th between the Director General for generation of Euphrates Region and UNDP to schedule site work implementation. It was agreed to implement the Economizer delivered in Stage I during the first shut down and the Water Wall during the second outage, expected for September 2009.
- Shipment Inspection of Shipment No 2 was carried out at Kobe Port in Japan.

Activities during the month

- Shipment No.1 was safely transported & escorted by MoE to Mussaib in two convoys of 6 containers
- Because of new procedures for Iraqis to obtain Visas for Jordan, the training had to be postponed.

Future Activities/Milestones

- 5 MoE engineers will undergo Boiler auxiliary equipment training in Japan.
- 1 MoE engineer will undergo a 3 days training in Amman on how to operate & maintain the VSAT system.
- Shipment No 2 will arrive in Aqaba around June 12th and will be forwarded to Mussaib Power station.
- UNDP and Hitachi will start the negotiation meetings for Phase 3 contract.

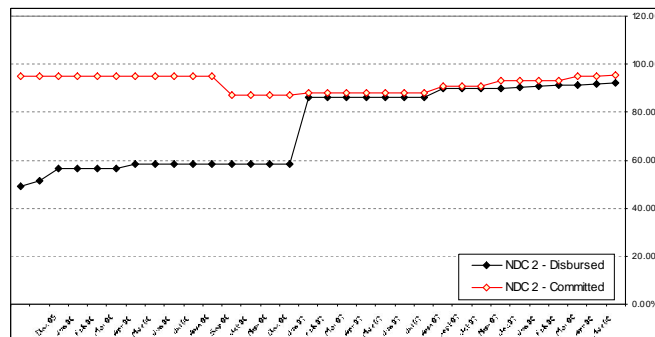
4. REHABILITATION OF NATIONAL DISPATCH CENTRE - STAGE 2

Funded from:	UNDG-ITF (Government of Japan)
Project Budget:	\$11.946 million
Originally Scheduled completion date	July 2006
Estimated Project Completion Date:	December 2008 (with modified scope)

Progress as of May 2008:

Percentage of Funds Committed: 95.44%

Percentage Disbursed: 92.15%



Note: the reduction in delivery at the end of 2006 corresponds to the partial cancellation of a contract as explained in the remarks section on the left.

Summary and Justification

The National Dispatch Center, which monitors and controls the national electricity grid, was heavily bombed and completely looted during and after the recent conflict. The ability to maintain network stability is vital, especially considering the low generation and poor conditions of the transmission and distribution network. The objective is to rehabilitate NDC to the highest standard, bringing back a critical grid management tool into operation.

Achievements / Quality assessment

- 27 MoE personnel trained in various fields.
- 43 Remote Terminal Units (RTUs) were delivered and in part, erected and connected
- Completion of network modeling and database population

Identified Risks and Mitigation Measures

- Security: Security situation prevents work on Remote Terminal Units
- Organizational – Institutional Capacity: Slow administrative processes in MoE Baghdad.
- Organizational – Institutional Capacity: Staff turn-over within MoE, depleting specific expertise

Updated Issues and Remedial Actions

- Critical upstream component failed to materialize, impeding implementation: in order to address this issue, a project conference and workshop was held 19-20 November 2007 to identify bottlenecks in completing the National Dispatch Project, particularly relating to field work, Power Line Carrier and inputs from the US funded Regional Control Centres. Also, the contract scope has been renegotiated with UNDP partners.
- MoE’s trained staff turnover has contributed to slow data population and first running of applications.

Activities completed

- 43 Remote Terminal Units (RTUs) were delivered, 38 of which were erected with 62% cable connection. In some sites, erection, wiring and termination to the process could not be done due to security issues and lack of communication links, preventing changeover. Inventory checks were made for all accessible site
- Training of 6 MoE engineers on basic RTU maintenance in Mannheim Germany and 2 MoE engineers on SCADA Hardware/Software in USA.
- Training of 6 MoE engineers on advanced RTU maintenance has been conducted in Mannheim, Germany and Vasteras, Sweden.
- Training of 5 MoE personnel on database population and database maintenance in Houston, United States.

- To address the unavailability of critical downstream components, UNDP negotiated and issued Contract Amendment No 1¹ which reduced the original contract scope but added support to database population and training in Amman.²
- The NDC software development system (PDS) replica was installed and commissioned at the UNDP office in Amman on 4 March 2007 to enable training of MoE personnel in Amman.
- 3 MoE engineers were trained on system hardware and software maintenance as well as main SCADA functionalities. The first SCADA workshop was completed by mid March 2007.
- The PDS replica system was re-configured to be prepared for the first Energy Management System (EMS) training workshop which started on 1 April and completed by end of May 2007 at the UNDP office in Amman involving 5 MoE engineers/trainees. A further SCADA training workshop was held in July/August in Amman.
- A database population workshop started in late February aimed at finalizing the main database.
- The main database was completed during a workshop in Amman in March 2008.

Activities during the month

- Preparation by MoE in Baghdad, of sample case data for trial software running
- After discussions regarding the methods for software updating A proposal was sent to MoE on 7 May 2008
- On 21 May MoE informed regarding progress on microwave communication links
- UNDP prepared for future workshops and training in response to MoE on 22 May request

Future activities / milestones

- Updating of software in Baghdad.
- Review of modeling in Amman and functionality test of SCADA system.
- Further training workshops in Amman to support database, software and field work by MoE.
- Connection of RTUs to NDC and commissioning over MoE microwave links when links become available³
- Support for point to point tests and proving of field to NDC Baghdad functionality.
- Training of Dispatchers/Operators and database support personnel
- Preparation for Dispatcher Training System (DTS) database activities followed by DTS and trial running.
- Final report and financial closure.

¹ UNDP and the contractor agreed on an approach to complete the project as far as possible. Due to technical difficulties, the CFN network did not become available. Ongoing delays have impacted on project funds and the full completion of the project will be subject to the availability of communications networks, completion of Regional Control Centres and supporting infrastructure plus additional funding.

² Ongoing delays have impacted project funds and the full rehabilitation will be subject to the availability of communications networks, completion of Regional Control Centres and supporting infrastructure plus additional funding.

³ MoE is constructing a series of microwave links to provide connection to some of the NDC Remote Terminal Units. This will allow partial commissioning of field equipment and running of NDC software during 2008.

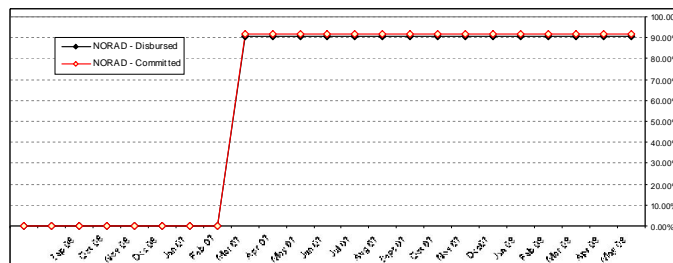
5. EMERGENCY ASSISTANCE TO ESSENTIAL SERVICES IRAQ

Funded from:	NORAD
Project Budget:	USD 1,308,901
Originally Scheduled completion date	June 2006
Estimated Project Completion Date:	February 2008

Progress as of May 2008:

Percentage of Funds Committed: 92%

Percentage Disbursed: 91%



Summary and Justification

This project was undertaken in early 2004 in response to the immediate humanitarian need for drinking water for war-affected areas of Kirkuk and Mosul. Taking into account the lead time required to purchase and install large-scale electricity supply facilities, UNDP planned to procure small to medium-size diesel generators so as to meet immediate needs until permanent rehabilitation takes place. The equipment procured can be easily moved to other locations as required, enhancing responsiveness and flexibility and ensuring that major water pumping/treatment stations and large hospitals are not affected by lack of power.

Achievements / Quality Assessment

- Nine generators and ancillary equipment were provided to seven water pumping stations, delivering drinking water to approximately 500,000 people.

Identified Risks and Mitigation Measures

- Security: The security situation has deteriorated during the implementation of the project. Because of the security situation, equipment were procured for the South region were unloaded in Jordan. This has resulted in delays in project implementation although these have been kept to a minimum: Instead, delivery took place via Kuwait to Basrah, with increased transportation costs.
- Operational - procurement: Due to the current security situation only a limited number of contractors are active in each governorate, and the implementation cost escalated severely. The lowest price received was double of that estimated by UNDP.
- Financial - External: Transportation cost from Jordan to Iraq has increased in addition to the insurance which is 2.5%. For example, transport agencies claimed more than US\$160,000 for five trucks load to Baghdad.

Updated issues and remedial actions

Following 19 August 2003 attack on UN offices in Baghdad, there was a withdrawal of UN staff from Iraq. In order to conduct remote implementation the contract had been awarded to local consulting companies for providing engineering consultant services.

Activities during the month

- Reconcile expenditure for the purpose of financial closure.

Future activities / milestones

- Final report and financial closure.

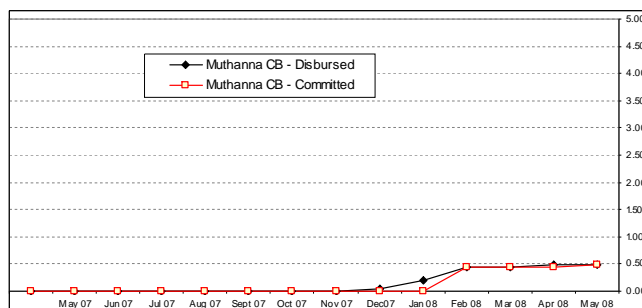
6. MUTHANA GOVERNORATE CAPACITY BUILDING AND INSTITUTION REINFORCEMENT PROGRAMME

Funded from:	Government of Japan
Project Budget:	USD 4,000,000 Electricity sub project USD 1,375,461
Originally Scheduled completion date	June 2009
Estimated Project Completion Date:	June 2009

Progress as of May 2008:

Percentage of Funds Committed:
Electricity sub project 7%

Percentage Disbursed:
Electricity 4.4 %



Summary and Justification

The project aims to assist institution strengthening and capacity building of Muthanna Governorate and Provincial Council's Departments of Migration, Youth and Sports, Education and its sub-offices, Agriculture, Sewage, Electricity, the Police and Civil Defense, as well as to some extent the civil society organizations with a view to self-govern further improvements in basic services provision. The project will address the Muthanna local institutions' lack of physical assets and skills to perform a pro-active, forward-looking local governance role aimed at enhancing basic services in the communities. It will promote ownership, synergy and sustainability of the various ongoing and completed ODA projects in Muthanna and will capitalize on success stories and lessons learned. Active participation of the central and local governments will be promoted and consultation and coordination mechanism will be established to respond to the various capacity building needs.

Achievements / Quality Assessment

NA

Identified Risks and Mitigation Measures

- Security: situation may prevent proper execution of work plan.
- Regulatory: Visa regulation in Jordan may considerably delay consultations with local government. As a mitigation measure, visit of UNDP to Muthanna was attempted.
- Political: Possible change in local government commitment to the project, possibly connected to local election scheduled for Autumn 2008.

Project issues and remedial actions

There have been security-related delays in meeting with counterparts: mission scheduled 22-27 December was cancelled after a fatal incident occurred in Nassariya.

Completed Activities

- Meetings with the counterparts of Muthanna Provincial Council held in Dubai 17-18 June to pinpoint the details of activities in accordance with the Provincial Development Strategy.
- Technical Specification for the procurement of Kiosk Type substations to replace the damaged substations was completed. EoI was called and ITB issued.
- A meeting with the Muthanna Governorate Officials was held in Amman on 19 August to discuss the scope, costs and expected outcome of the project, as well as the plan to train the technical staff of the Muthanna Governorate Electricity Distribution Directorate for the implementation of future construction projects.

UNDP also briefed on the progress of the ongoing electricity rehabilitation project for the Muthanna Governorate and the Governorate Officials discussed and presented the priority areas requiring attention for implementation. Provincial Council Officials and Governorate Technical Specialist attended the Muthanna Electricity Distribution Development Plan launch, September 18-20 2007, and participated in scoping of Electricity capacity building activities.

- Project coordinating engineer from the MoE was nominated and training needs assessment was carried out.
- A meeting with MoE staff; Head of Baghdad training center, Head of Muthanna Electricity Distribution Directorate, Head of Southwest Electricity Transmission Directorate and Chief Engineer Operation & Maintenance of Muthanna Electricity Distribution Networks was held in Amman 27-29 January 2008 to select the trainees from different units in the directorate and to finalize the training program.
- Agreement on the training activities and areas in coordination with the senior staff of MoE
- In-house training of nominated MoE engineers at Samawah on basic computer skills under UNDP guidance completed.
- Muthanna Governorate have been invited for a kick-off meeting in Amman, but this has been postponed several times due to Basra security situation first, then to flight cancellations and now to the new visa procedures put into place by the Jordanian Government;

Activities during the month.

Electricity

- MoE In-house training of nominated MoE engineers at Samawah on basic English language knowledge continuing.
- Request for proposal for selection of training facilities for training.
- Technical evaluation of the offers for provision of Kiosk Substations

Water and Sanitation

- UNDP has developed a detailed scope of works on the Water and Sanitation Component of the project and shared it with the Muthanna Governorate;

Future activities / milestones

Electricity

- Provision of electrical equipment. (Bid evaluations, contract award, management and delivery).
- Preparation of customized training programme.
- In-house preparatory training by MoE, Muthanna (Basic English Language).
- Selection of training venue by open bidding, inspection and award of contracts.
- Conducting theoretical training programs in UNDP.
- Conducting practical training programs in selected electricity utility training centers.
- Supervision and assessment of the training.
- Recommendation of Trainers for future training.
- Preparation of specifications for setting up a field training center in Muthanna in coordination with training department of MoE.
- Preparation of distribution construction standards and safe work procedures in coordination with the main distribution department in the MoE.
- Recommendation on human resource requirements in rehabilitation, construction and O&M units of the Muthanna distribution directorate.
- Recommendation on continuous training requirements in the Muthanna electricity distribution directorate.

Water and Sanitation

- Tentatively, the meetings are expected to be held on 20th-22nd May 2008, but this could be delayed again by the new visa procedures.

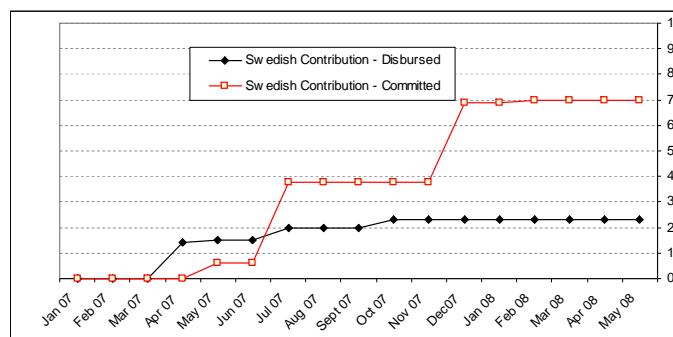
7. SUPPORT TO THE ELECTRICITY AND HEALTH SECTORS IN THE EMERGENCY AND LONG TERM CONTEXT

Funded from:	Government of Sweden (SIDA)
Project Budget:	USD 5,370,101.60
Originally Scheduled completion date	December 2008
Estimated Project Completion Date:	March 2009

Progress as of May 2008:

Percentage of Funds Committed: 70%

Percentage Disbursed: 23%



Project Summary and Justification

The project addresses the limited access to adequate health services in Aathamia District in Baghdad, Samaraa in Salah Ad-Din, and Halabja City in Sulaymaniyah, as well as the lack of power supply services to some 0.25 million inhabitants. The Project also aims at supporting the Iraqi Electrical Master Plan, thus addressing and supporting the nationwide efforts to reverse the currently deteriorated sector situation.

Achievements / Quality Assessment

- Completion of 'UNDP Assistance to Iraq Electricity Masterplanning Process' review report
- Establishment of "Users Association" in Halabja

Project risks and mitigation measures

- Operational – Procurement: procurement exercises might be slowed down if the markets are not fluid enough
- Organizational - Political will: Effectiveness of Master Plan Review will hinge on follow-up from MoE.

Project issues and remedial actions

- Due to the deterioration of the security situation, there is a 2 month delay, which involved delays in completing the consultancy assignments and thus completing the technical information drawings, etc. Speeding up of other tasks has partially made up for this delay.
- Due to security situation in Lebanon, the shipment of DG sets from Beirut was delayed for two weeks, proceeded on 29 May 2008 and is expected to reach final destination during first week of June.

Completed Activities

- UNDP issued an EoI for consulting firms. Following evaluation, established a pool of consulting firms.
- UNDP Consultant provided UNDP with the assessment sheet identifying some sites as well as the needs of Health Facilities.
- Request for Proposals (RfP) issued for local consulting firms for the required engineering services. Contracts with Local Consulting Company signed, subsequently, for several sites. Technical briefing for local consulting companies took place on site.

- Technical specification for Provision of Small diesel Generators completed, as well as technical and financial evaluation of proposals for local consulting firms.
- Technical specification for installation and Operation & Maintenance works for Halabja were prepared and short list of contractors established for subsequent invitation.
- A consultant to support the MoE master plan project was mobilized on a 1 month assignment in Sept 07. The consultant investigated conditions, analyzed the situation, assessed and developed detailed assignment methodologies, highlighted points requiring additional attention, etc.
- UNDP consultant was requested to commence identifying the basic needs of Health Care facilities.
- Invitation for EoI for procurement of DG's in September 2007 and evaluation of Companies conducted by the Evaluation Committee in October. In November, bidding documents were sent and Technical Evaluation was conducted. Contracts were signed on 13 December for diesel generator and fuel tanks equipment mentioned below for each localities:
- UNDP appointed 2 more Project Officers/ electrical engineers to assist the Project manager during Implementation as well as Operation and Maintenance phase.
- The kick off meetings for all 4 project sites were held at UNDP premises in Amman 13-17 January 2008. Participants included the Directors/owners and Project manger/ Implementation Engineers of implementing and consulting companies, Steering committee members and local authorities.
- Diesel Generator sets has been manufactured and tested in Beirut Lebanon under UNDP supervision
- Fuel Tanks are purchased from manufacturer in China and has been shipped to Beirut to complete sets.

At Halabja main Hospital,

- The contractor Electrom Company completed the rehabilitation works of the hospital building including rehabilitation of the electric system, AC units and other rehabilitation works as per technical specification.
- Concrete basement has been constructed for the Diesel Generator as well as for 20000 liter fuel tank.
- All necessary preparation for installation of 500KvA DG and fuel tank has been made.

At Bamook village,

- The contractor Electrom Company completed construction of concrete basements for installation of 500 KVA and 300 KVA diesel generators as well as for installation of 10000 lit and 5000 litre fuel tanks.
- The contractor Electron Company, has completed all rehabilitation works at Bamook village and has made all necessary preparation works for installation of 500 KvA and 300KvA DG as well as the fuel tanks.
- Rehabilitation of network grid, Including installation of small circuit breakers has been completed.

At Baghdad and Samara site,

- The Contractor, Basrah-Eurolane has finalized construction works and rehabilitation works and has finished all necessary preparation for installation of 1000 KVA DG and 20000 lit fuel tank at Samarra Main Hospital and of 300 KVA DG and 5000 lit fuel tank at Adhamiya health care center in Baghdad.

Activities during the month

- UNDP Consulting Companies, ZHEN Consulting Company and Al-Butaila Consulting Company are monitoring all rehabilitation works for three sites and sending regularly progress reports from the sites.

Future activities / milestones

- Installation of DG will take approximately 2 weeks after delivery early June, completing first phase
- Second phase, Operation and Maintenance shall start immediately after completion of first phase.
- Site handover, implementation works and substantial completion as per Project document.
- Inspection will be contracted for 3rd party inspection.
- Training and support fir Operation and maintenance of DG for the duration of one year.
- Final report and financial closure.