RiTS Vision for Better Iraq

[The RiTS Hexagon]

The idea of the Hex vision is to offer well thought through project concepts to deal with some of the most pressing problems Iraq faces today. The country's leadership has been good with identifying the objectives, however not very good with specifying strategies to help achieve these objectives. Hence our projects are solutions based on self-contained strategies to well recognized problems. Unlike academic initiatives, this is pioneering thinking originating from the private sector. Hence all ideas here are real, practical, achievable, and will generate income and provide new employment opportunities.

1.   Public Sector Management Reform:

A short visit to any Iraqi Government department (local or national) immediately uncovers 2 basic problems. A) Processes are antiquated and quite complex requiring urgent attention to streamline them for efficiency and anti-corruption purposes. B) The Iraqi civil service lack almost all of the soft business skills to enable them become productive. Over the last 10 years, USAID programs spent serious money in Iraq trying to roll back these 2 basic problems with no avail. RiTS developed 3 conceptual projects to present native Iraqi solutions to the problem.

1.1   Business Process Improvement:

Expert business process re-engineering team (most likely made up from successful expatriate Iraqi consultants living outside Iraq) train and mentor local Iraqi teams. The resulting teams are introduced into the client public sector organisations and a detailed long term plan is agreed. Each department will nominate a number of staff to be part of a "Business Process Reform Circle". The circle will be given the objective of reforming the processes in another department in the client organisation. The circles will work until each process in the client organisation re-engineered. Optionally we can move on to computerize the work flow for these processes. Also optionally we can go the whole way by implementing an ERP (Enterprise Resource Planning) application. RiTS will manage the whole program.

It is proposed that a pilot project is carried out as a proof of concept. Metrics will be collected for the "before and after" conditions. Costs will be kept to a minimum as we will mainly deploy surplus government staff to form the local Iraqi teams. i.e. they already receive government salaries but have very few or no duties to perform at the organisations where they are employed.

1.2 Business Soft Skills

At the beginning of their career's most graduates working for large corporations or well developed governments worldwide receive office and professional skills of various descriptions. Gaining these skills enable them to become useful productive staff with reduced learning curve problems. In addition to business soft skills, Iraqi employees also need to improve their English language skills, gain IT literacy, and develop an appreciation of work ethics.

RiTS believes the only way to achieve all of the above for the entire workforce of any public sector organization in Iraq is to bring the training to the organisation. Then making it a daily process for a prolonged period (1 year minimum). We believe we can through our devised program (called project Irtiqaa – ارتقاء) achieve a step change and lasting irreversible change in behaviour that would lead to many folds of improvements in productivity.

The concept paper is written and all we need is a pilot implementation. We have devised the program in a way that it is highly cost effective. We estimate the cost per 1000 public employees to be around $4m and it would involve deploying 65 training staff (per 1000 students). The training

staff costs will be minimized by the same arrangement described in 1.1. (surplus university staff).

1.3 Academy

The Academy project is based largely on the Business Skills program described in Section 1.2 above. Here we impart a specific set of skills to fresh graduates immediately after their graduation. We envisage a concentrated period of intensive training run at an academy RiTS sets up helping graduates gain all the common business soft skills in a fast track manner in around 3 months duration. This project is likely to be self-financing if Iraqi employers (mainly private sector) are prepared to pay market price for this valuable training. It is assumed that Government will not change its policy of not allocating budgets for human resource development.

2. Graduate Job Opportunities

Graduate unemployment is a major issue in Iraq today. Some estimate it at 60% and there is already a long backlog of unemployed graduates starting from the late 1990s till today. It is estimated that universities are adding 150,000 graduates annually.

RiTS believes Iraq is slowly heading to becoming a free market economy. Therefore job creation should focus on encouraging business startups. In particular businesses owned by graduates. As with all new startups a variety of support services are required if the startup is to stand a chance of succeeding. Therefore our schemes are based on the notion of incubating startups. This is a vital new development for Iraq because of the transition from Command Economy to Free Market which adds by itself obstacles in the way of developing thriving private sector businesses. For example the received wisdom in the society is that a good graduate is a graduate who "wins" a government job. Whilst private sector jobs are perceived as somehow not real and lack a long term future, let alone a pension. One should also mention that there are no incubation services available anywhere in Iraq for new businesses. Based on the above discussion, RiTS developed 3 conceptual projects to present native Iraqi solutions to the problem.

2.1 Technology Park (Startups Incubator)

RiTS devised a scheme whereby the company works alongside a university in Baghdad to create a Technology Park on campus. The park will use any spare space the university has available to house a branch operation for RiTS. Thereafter the company will volunteer to carry out psychometric testing to final year students as a means of discovering students with entrepreneurial tendencies. These students will receive lectures from RiTS management on business and startups and they will be encouraged to come forward with ideas for new startups. RiTS will then play the role of incubator making its own resources (managerial, legal, accounting, marketing, secretarial, etc) all available to each startup coming into the Technology Park. At the same time the university itself would also act as incubator through provision of rent free office (or workshop) facilities. The intention is to incubate these new businesses through their turbulent startup period until they become successful ongoing concerns. RiTS and the university concerned would accept a small percentage in the shares of the startups as a long term compensation for their incubation services. Once the idea is tried out successfully for a year or two, it can then be spread to all other universities across Iraq, perhaps using small amounts of donor aid to sustain the incubation services.

The first incubator in Iraq was set up on 8th June 2016 through a collaboration between RiTS and Almansour University College. So far 5 projects have joined the incubator which has been officially named, "The Project of a Lifetime Incubator" [حاضنة مشروع العمر]. Steps are underway to establish a second incubator this summer and discussions are underway with Ministry of Higher Education to set up an incubator in each of its universities in 2017.

2.2 Little India

The economic climate and difficulties graduates face in finding employment in Iraq today are not dissimilar to the economic climate and difficulties that faced Indian graduates in the early 1990s. As a response, India developed the Offshore Software industry which managed to expand and employ almost all of India's 200,000 annual university outputs of IT graduates. In addition the "offshore" industry now generates $100s billions for the country. This entire experience can be easily repeated in Iraq. The only difference is that Iraqi graduates would accept starting salaries far below those of their Indian counterparts accept today. As with the case of India, RiTS would utilize the vast Iraqi communities living in USA and Europe to carry out sales and marketing operations at the customer side, whilst Iraqis (initially under Indian supervision) would carry out the technical delivery

end of the projects in Iraq. It is expected that this project would result in employing 10,000-50,000 IT graduates if it succeeds in reaching international standards for delivery. This project requires initial capital of the order of $10m to cover startup costs. ROI is usually very high and typical annual revenues of an offshore software services company with 1000 employees is in the range $40m-$60m per annum. RiTS has the partnerships in place and has the know-how for implementing this project. Work is underway now to write the business case with view of obtaining a Central Bank SME industry loan to begin executing this project during 2016.

2.3 Citizen Gateway [CG] Agents

RiTS has a ready business plan to execute this project. The basic concept is to establish a large network of small offices around the country (6000 approx.). These offices will deal with citizen government transactions such as obtaining a passport or receiving social benefit payment. The CG offices will act as a single window for citizens to do government transaction. The concept is to license these "Agent" Offices as franchises and to limit access to them to unemployed graduates (50% females, 50% males). Each of these graduates would have access to a bank loan whereby the loans are guaranteed either by the Iraqi Government or by international agencies such as the World Bank. The Citizen Gateway offices would provide services ranging from receiving applications from citizens (and receiving the set fees for the transactions), to completing the applications on behalf of the citizens (if they are illiterate). Small fees will be charged by the offices for their services. The citizen must also pay for postal charges. The Agents will be run in incubated business model, whereby facilities such as help desks will be made available to answer not just technical issues related to the Gateway, but also general business questions such as how to do book keeping and how to expand the business through further investment. The income for the Agent has been calculated to be in the region of $1500-$2500 per month as net income. The scheme is expected to create employment for 8,000-12,000 graduates. This project requires a Diwani Decree enabling the CG office to receive applications from citizens on behalf of Federal or Local Government. The network will cover Iraqi communities living outside Iraq. The logistics for applications will be handled through the Iraqi Post Office who will receive an estimated $60m per annum of new revenues, tripling its current annual income. The scheme will largely diminish petty corruption in citizen transactions and offer an exemplar for a rejuvenated Iraqi private sector.

An offer to give presentation of this project to the Prime Minister Office staff has been pending since December 2015 having first received a positive feedback.

Public Sector Management Reform	Anti Corruption	Graduate Work Opportunities		تطوير اداري (قطاع عام)	مكافحة الفســـاد	فرص عمل للخريجين
Process Improvement	Citizen Gateway	Startups Incubator		تحسين الاجراءات	بوابة المواطن	حاضنات الاعمال
Business Soft Skills	Government Purchasing	Citizen Gateway Agents		مهارات العمل	المشتريات الحكومية	وكلاء بوابة المواطن
Skills Academy	Oil Stocks Monitoring	Little India		اكاديمية المهارات	متابعة الخزين النفطي	الهند الصغيرة
	Ration Card Distribution				الحصة التموينية	

3.   Anti-corruption

Iraq is one of the leading countries in corrupt practices. Unfortunately it is not one of the leading countries in fighting corruption. Yet corruption is causing severe hindrance to the expansion of the economy and it almost always lead to failed projects. RiTS has devised 4 projects, the first of which deals with petty corruption over citizen transactions. The second project deals with the corruption associated with public sector purchasing. The third and fourth projects deal with a specific corruption type that affects the lives of many Iraqis, namely the ration card system and the handling of crude oil. In implementing these anti-corruption solutions, it is hoped that Iraqis will gain rare and comprehensive knowledge in anti-corruption methodologies and practices. This knowledge can then be positively exploited to sell Iraqi consulting expertise to the rest of the world, thereby turning a difficulty into a positive opportunity.

3.1 Citizen Gateway

This project was already mentioned in a previous section in connection with graduate employment opportunities. The concept of the project is primarily to minimize if not eradicate petty corruption altogether. The idea is to prevent a meeting between the public sector staff and citizens. RiTS will establish a large network of Citizen Gateway offices (over 6000) which will serve citizens as they apply for their government transactions. Being a country heavy on red tape means we have many processes. Also having a population with high rate of illiteracy means transactions can only be submitted correctly with help from a literate person. Hence the Gateway office can supply services to fill the application forms manually or

electronically (depending on the state of eGovernment development with the Government entity concerned with the citizen transaction). The Citizen Gateway will use the Iraqi Post Office (IPO) branches as its logistics backbone for posting the transactions and for returning the outcomes back to the citizen. Since the IPO's own IT systems are supplied by RiTS it would be very easy to seamlessly integrate the IT systems between the Gateway and IPO. This will result in increased transparency from and for Government. The citizens will enjoy the benefit of accurate tracking of their transaction whilst the Government will benefit from real time statistics on the performance of each government entity dealing with citizens. These statistics can also be made public to increase Government transparency.

3.2 *Public Sector purchasing*

It is a well known fact that corruption is rife in public sector purchasing. Any private sector company acting as a supplier or contractor to Government will be able to list unbelievable practices that often leads to money being extorted from the supplier by Government staff at almost all levels of public sector organizations. The fact that most Government projects end in failure does not seem to affect the levels of corruption. RiTS has incepted a project that aims at automating all aspects of purchasing through all stages of purchasing transactions. That is to say from establishing need for a purchase to estimating budgets to tendering right through project execution and of course invoicing. The purpose is to apply all Government established purchasing policies and regulations fairly to all purchasing operations removing any local complexities that is normally added in order to aid corrupt practices. The concept includes establishing a Government supplier/contractor register that will track all activities of supply and contract activities by companies. This project will also establish a wealth of centrally available data for the sole use of anti-corruption agencies to identify suspicious purchasing transactions.

3.3 *Ration Card Distribution*

For the past few years RiTS has been acting as an advisor to the Ministry of Trade to help establishing a more robust ration card system that ensures smooth delivery of rations whilst maintaining vigilant anti-corruption controls throughout all aspects of the foods purchasing and distribution operations. The project has resulted in specific proposals being made to the Ministry of Trade which were unfortunately not adopted. We now have a revised project in mind that ensures all intermediaries involved in the

supply chain are eliminated including the ration card distribution agents. The new concept is to account for the bulk supplies as they arrive into the country or into silos, then carrying out packing operations whereby each packet contains a single family's monthly ration. The packet is then delivered directly to the home of the family. All packets will be subject to elaborate tracking system through identifiers printed on individual packets. All delivery transports would also be subject to satellite tracking to ensure the full integrity of the entre distribution network.

3.4 *Oil Stocks Monitoring*

According to the Iraqi constitution, oil is a resource owned by the Iraqi people. The oil stocks monitoring project is an initiative to account for every drop of oil from the moment it is extracted from the field until it is delivered to a final destination whether it is an internal or export customer. The purpose of the system is to prevent any kind of theft or corruption to take place in relation to volumes of oil. The concept makes use of newly available IoT [Internet of Things] technology to place monitoring equipment wherever in the country oil is handled, transported, stored, etc. The monitoring equipment would be a variety of flow and volume measuring devices and instrumentation, many of which would continually transmit its readings to a real time central system that accounts for a notional oil inventory volume figures. Such technology is not available for this purpose currently on the market and it would be designed and architected by Iraqis creating a further source of expertise that can be exported as technology and consultancy to oil producing companies and countries elsewhere in the world.

4. Iraqi Post Office Improvement

The idea of post was first invented in old Mesopotamia and was further developed by successive civilizations such as the Abbasids when the Post Diwan was only second to the Finance Diwan. In 1919 under British occupation of Iraq, a new modern Post Office service was established to replace the antiquated Ottoman service. Soon the Iraqi Post Office became a leading service of its kind in the Middle East with the installation of the first telegraph line in the Middle East. This status continued until the mid-1980s when decline set in. Today the Iraqi Post Office is at the bottom of most regional comparison tables. Its revenues are a tenth of what it should be and likewise the numbers of transactions it carries out.

RiTS has proposed a program with over 20 modern postal services and has offered the ministry of Communications (MoC) partnership to execute the projects that would bring about these services as well as an increase of 10-20 folds in its current revenues. The MoC has been considering these proposals since 2012 without reaching a conclusion. This is another Iraqi missed opportunity to build an enabling economic infrastructure to help rejuvenate the Iraqi economy. A well run modern Postal service can have a big economic impact helping to create whole new industries in the country.

Iraqi Post (> 20 Projects)	Social Responsibility	Iraqi Industries	تطوير البريد العراقي (20< مشروع)	مسؤولية اجتماعية	الصناعات العراقية
eCommerce	Iraqi Lottery	'Made in Iraq'	تجارة الكترونية	يانصيب خيري	«صُنع في العراق»
Courier Service	Artificial Hands	Iraq Tourism	توصيل فوري	اطراف اصطناعية	السياحة العراقية
Citizen Gateway	Handy Crafts Marketing	'Farmed in Iraq'	بوابة المواطن	تسويق تراثيات	«زُرع في العراق»
Distribute Printed Media	Fabrication Labs	- - - - - -	توزيع مطبوعات	مختبرات تصنيع	- - - - - -

5. Iraqi Industries

As a result of attending Industry Workshops in recent months held in collaboration between The Iraqi Institute for Economic Reform (IIER), the Iraqi Businessmen Union (IBU), and the Center for International Private Enterprise (CIPE), RiTS has been able to identify certain structural weaknesses in the Iraqi Industry sectors that each workshop focussed on. The result so far of attending these workshops are the following incepted projects.

5.1. Manufacturing Industry – "Made in Iraq"

The Iraqi manufacturing industry in all its sectors, whether publicly, privately owned or under mixed ownership, Iraqi manufacturing has been reduced to just a few companies all of which are suffering various degrees of business pressures. Identified causes are many involving legislation, taxes, investment loans, etc. However one area of manufacturing that seem to be quite weak and in need of strengthening is marketing and distribution. The case is the same for both in country and export markets.

RiTS is working on a project to help sell "made in Iraq" products. It is the intention of RiTS to create partnerships with ministry of Industry, Iraqi private sector manufacturers, transport & logistics companies and the Iraqi Post Office to help distribute manufactured products efficiently in country and abroad. An important part of the project will be a "Made-in-Iraq" portal that would work as a single window for buyers to reach find out about products, their pricing and specifications as well as the ability of making purchases and/or entering into online auctions to purchase the products. The premise is to make purchasing easy and simple and likewise for delivery of purchased goods and speed of financial aspect of the transactions.

5.2. Tourism Industry "Tourism in Iraq"

Tourism is possibly the highest employer of people. There is an absolute belief among all Iraqis that Iraq can be made into a first class tourist destination. Yet except for religious tourism, there has been a complete drought of tourists since 1960s. As Iraq competes for tourists with countries that have long established tourism industry such as Egypt, Dubai, Turkey, and Lebanon, it follows we need to have a first class facilities and marketing operation to encourage more tourists to come to Iraq. However it is a sad fact that we do not even have a well-recognised online hotel booking system. Therefore this project is about offering high class marketing operation that helps and motivates stakeholders in the Iraqi tourism industry to develop their facilities and services to match an increased volume of tourists. The online portal RiTS is working on developing will provide a multi lingual tourism guide, booking facilities, arrangements for groups of tourists, full range and options for transportation and accommodation covering all sizes of tourist budgets. The portal is designed to cater for both internal tourism as well as tourism from abroad.

5.3. Farmed in Iraq

This is a project under consideration. Details will be announced when the concept paper writing is completed.

6.   Social responsibility

There are major gaps in the Iraqi government budgets for helping with major social issues such as catering for the displaced, widows, orphans, disabled, heritage, recreation, clearing of mines, individual sports, school buildings, job creation schemes, etc. This has been the case even when oil revenues were quite large. Hence RiTS is looking to establish a string of self-financing social responsibility projects. The following are so far planned:

6.1. Iraqi Lottery

Currently Iraq has no national lottery scheme. The purpose of such schemes is to collect money from individuals who place small stakes in the hope they make large wins. Usually the odds for landing the big prize is not better than 1 in 15m. In other words it is not gambling since the participant knows there is extremely small chance of winning. The project requires the distribution of lottery machines. These are small computers distributed at shops throughout the country and connected to a central server. The lottery player usually chooses some 6 or 7 numbers in the range 1-60 system. The machine would register his choices centrally and issue a receipt showing the chosen numbers and a unique system generated number. Payments are only made when the player can produce the receipt. The draws are publically made on live TV 1-8 times a month using automated random number picking machines. The operator of the lottery (RiTS) distribute the prizes, pays government lottery taxes (if any) and after deducting operational costs places the proceeds from the lottery in a special fund set up for the purpose (usually in the range 25-40% of revenues. A government or parliament appointed board of trustees (similar to the Iraqi Media Network board of trustees) meet regularly to view applications from NGO organisations that are working on a set of sectors of need similar to the list identified at the start of this section. The trustees usually receive applications from the NGOs accompanied by a case study showing in details what would be the impact of the funds the NGO is requesting. The trustees effectively will choose between competing projects. Their decisions are publically announced during the regular Lottery Draw TV program. The trustees would have monitoring staff working alongside them to ensure the funds are really spent according to the purpose declared to the trustees. Showing TV reports about the causes and projects benefiting from the lottery is a good means of preventing corruption within the board of trustees. A comparative study by RiTS produced potential annual lottery revenues of $1.75b. At assumed 30% allocation of funds to good causes, this would produce $525m annually for good causes. Additionally the lottery itself would generate >1000 new jobs involved in the operation of the scheme.

6.2. Artificial Hands

RiTS is in the process of establishing Iraq's first centre for 3D printing of objects using the new technology of 3D printers. This would be by itself the first such centre in the Middle East. The centre is a commercial operation to 3D print objects requested by clients such as university researchers, architects, inventors, dentists, etc. The centre will have a second goal of providing mechanically operational artificial hands for disabled children. The reason for choosing children is because they require replacement of the hand at least once a year as they grow. Unlike commercially available artificial hands the 3D printed hands cost a maximum of $200 to produce. Making the prospect of helping 1000s of children regain the use of their disabled hand. A life changing prospect. RiTS has been working on this project for the last 6 months having established a partnership with a USA group of volunteers who are working on spreading the idea of these centres globally.

6.3. Marketing Hand Made Crafts

This is a project under consideration. Details will be announced when the concept paper writing is completed.

6.4. Fabrication Labs

This is a project under consideration. Details will be announced when the concept paper writing is completed.

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ATM Network	Money Transport	Government Correspondence	شبكة صراف الي	نقل نقود	المراسلات الحكومية
School Books Logistics	Credit Card	Citizen Email	توزيع كتب مدرسية	بطاقة انتمان	ايميل المواطن
Social Security	Banking Window	New Post Code	رعاية اجتماعية	واجهة بنكية	رمز بريدي جديد
Iraqi Emigres	Western Union	Gov. Staff Salaries	جاليات المهجر	ويسترن يونيون	رواتب الموظفين
----------	Election Register	Retail Space	----------	سجل انتخابي	سوبرماركت للايجار

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