I. INTRODUCTION

1. A World Bank mission met with a delegation from the Iraqi Ministry of Education (MOE) in Amman, Jordan, from September 27 to October 10, 2010. The World Bank team was led by Ms. Lianqin Wang (Senior Education Specialist and Task Team Leader) and included Ms. Nazaneen Ali (Senior Procurement Specialist), Mr. Sepehr Fotovat (Senior Procurement Specialist), Ms. Celine Gavach (Operations Analyst), Ms. Maisam Al-Hayali (Senior Operations Officer), Mr. Jad El-Mazahreh (Financial Management Specialist), Mr. Vasilios Demetriou (Senior Implementation Specialist/Consultant), Mr. Tayseer Al Noaimi (Senior Education Specialist/Consultant), and Mr. Roger Pearson (Sr. Education Specialist/Consultant). The MOE delegation was led by Ms. Hana Ahmed Ghazi, Director General of Financial Affairs and member of the Project Steering Committee, and Mr. Najdat M. Zaki, Project Management Team (PMT) Leader, and Mr. Waseem Al-Muqaddasi, PMT Deputy Leader. A full list of mission participants from MOE is provided in Annex 1. Dr. Salah Hamid, Deputy Director General of the Debt Department, Ministry of Finance (MOF), also joined the mission. Mr. Saadi Ibrahim (Sector Manager/Finance), Mr. Alaa Al-Kazzaz (Sector Manager/Procurement), and Mr. Ali M. Ali (Field Manager/Procurement) of the Etiman Fiduciary Monitoring Agent also participated in the mission.

2. The objectives of the mission were to review implementation progress on the school construction-related components of the two projects, and discuss other components, including teacher training, capacity building for curriculum development, school mapping, and the development of a manual for school design.

3. The mission wishes to thank H.E. Dr. Khudayr Al-Khuza‘i, Minister of Education, for his commitment to the achievement of project objectives and for sending a large MOE delegation to participate in the mission, and all members of the Iraqi delegation for their hard work and collaboration during the mission.

4. The aide-memoire reflects the discussions and agreements reached during the mission wrap-up meeting held on October 11, 2010.

II. PROGRESS AND KEY ISSUES

5. MOE ownership and collaboration with the PMT have been improved. With the support of H.E. the Minister, the PMT has succeeded in strengthening its relationships with the different departments of the MoE, and in engaging them in the implementation of the two projects. It was agreed during the
mission that the Department of Contracts will support the PMT in the procurement process, and in the monitoring of civil works contracts. In addition, the School Buildings Directorate General (SBD) will participate in the supervision and monitoring of school construction, including facilitating support from the involved Directorates of Education (DOEs) at the governorate level. The Directorate General of Curriculum and the Institute of Teacher Training and Development (ITTD) participated in the current mission in the design of detailed capacity building activities for curriculum development and teacher training (component 2.1 and 2.2 of TEEP), respectively. Task teams in these two directorates were established prior to the mission and will now assume responsibility for component implementation. In order to liaise with the PMT, one focal point for curriculum development and one focal point for teacher training have been selected. Similar activities are occurring in relation to the School Mapping and preparation of the School Design Manual (TEEP component 1.2). The SBD and the Information Technology Center (ITC) of MOE joined the mission to discuss the scope of work of the proposed activities and will be fully engaged in the implementation of these two activities. Other key departments that are expected to participate include the Directorate General of Educational Planning as well as the planning units at the DOEs. The mission team recommends that the Project Steering Committee (PSC) facilitates the participation of these departments.

6. Progress has been made in the strengthening of the PMT capacity, but further action is urgently required. During the past few months the MOE approved 11 additional positions of PMT staff. Some of these positions have already been filled including civil engineers, M&E staff and a junior environmental engineer, as well as other administrative staff. During the course of the mission, eight PMT staff attended a training session on procurement and financial management organized by the Bank with the objective of improving PMT technical capacity. A PMT organizational structure was also reviewed and revised during this mission (Annex 2). The PMT will submit the proposed revised structure to the PSC by October 20, 2010. Endorsement by PSC is expected no later than November 15, 2010, followed by the approval of H.E. the Minister of Education. Recognizing that further strengthening of the PMT is urgently needed, the following key issues were discussed and agreed:

a) Recruitment of additional core PMT staff members: (i) Due to weak procurement capacity in PMT, the immediate recruitment of a Procurement Officers and a Procurement Assistant is essential to strengthen the procurement function of the team and accelerate its deliverables. If the Procurement Officer positions cannot be filled by civil servants, the MOE should consider filling them with highly qualified consultants. (ii) The PMT has not had an Administrative Manager for an extended period of time, which has made the office inefficient and even dysfunctional in some cases. Hence, an Administrative Manager should be put in place immediately in order to ensure administrative efficiency. (iii) Capacity to undertake the Monitoring and Evaluation (M&E) function is seriously lacking in the PMT. Although two engineers have recently been hired as M&E staff for ESCR and TEEP, these two staff are inexperienced in M&E and need intensive training. An experienced M&E Officer should be recruited to lead the M&E work. (iv) In view of the numerous legal contractual issues that the PMT is currently facing, a Legal Specialist would also be appointed in a timely manner. The mission urges the MOE to complete the recruitment of the foregoing PMT members by December 31, 2010.

b) Strengthening of PMT management capacity. In order to ensure clarity of leadership responsibility, and accountability, it is recommended that the PMT leader should have full authority to sign checks and should be assigned full time to this position. The mission urges the MOE to support the PMT leader in meeting these two requirements in the near future in order to ensure adequate management capacity is in place to effectively implement the two projects.

c) Undertaking PMT Restructuring. While the current structure of PMT was appropriate a few years ago when ESCR was the only project under implementation, and when the project
involved only school construction activities, this structure is no longer functionally effective. A new structure is now required to meet the demands of the tasks required under the two projects (ESCRP and TEEP) including components such as curriculum development, teacher training, school mapping and preparation of a school design manual. The mission discussed and agreed on a proposed new structure (see Annex 2), and urges the Project Steering Committee to make a final decision no later than November 15, 2010 for submission to H.E. the Minister for approval.

7. **ESCRP Restructuring has been approved.** The restructuring of the project was approved and signed by the World Bank on September 20, 2010. The process leading to countersignature by the Minister of Education and the ISRB is currently underway. The proposed main changes in the Restructuring Paper are: (i) updating the target values of the project outcome indicators; (ii) reallocating funds to build six-classroom block extensions at 20 existing schools in the Baghdad Governorate; and (iii) extending the Closing Date from December 31, 2010 to June 30, 2012. The PMT has already prepared the bidding documents for five contracts for the construction of 20 school extensions and plans to invite bids around October 27, 2010 if no objection is given shortly after the mission.

8. **Construction of new schools under ESCR is making progress, but problems in some contracts need to be resolved promptly.** A total of 32 new schools out of 50 have been completed to date. Most of these schools were handed over to the governorates, and are now operational. Annex 3 shows the details of 21 schools that have been completed, Annex 4 shows the details of the remaining active contracts which include 11 completed schools and 20 schools under construction\(^1\). Two primary schools have been cancelled from the original program of 52. Several of these contracts have issues which require immediate actions (see Annex 8). The following table summarizes the status of construction of new schools.

<table>
<thead>
<tr>
<th>Description</th>
<th>Primary</th>
<th>Secondary</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Completed *</td>
<td>11</td>
<td>10</td>
<td>21</td>
</tr>
<tr>
<td>Completed **</td>
<td>8</td>
<td>3</td>
<td>11</td>
</tr>
<tr>
<td>Under construction</td>
<td>15</td>
<td>5</td>
<td>20</td>
</tr>
<tr>
<td>Cancelled</td>
<td>-2</td>
<td>0</td>
<td>-2</td>
</tr>
<tr>
<td>Total</td>
<td>32</td>
<td>18</td>
<td>50</td>
</tr>
</tbody>
</table>

*Contracts are closed.

**Contracts are still open due to other schools under the same contracts that are still under construction.

9. **The school construction component in TEEP is also making progress, but the pace of implementation needs to be accelerated:**

- **Landownership and Approval.** A major reason for delay in school construction in the past was the slow progress in acquiring land approval for MOE to build the schools. Despite the complicated procedure of gaining land ownership approval and within the difficult environment in Iraq at large, the PMT has succeeded in getting approval for 36 sites (for 38 schools) so far, with support from the Prime Minister’s Advisory Committee and other related ministries including the Ministry of Finance, and Ministry of Municipality. The PMT is working on the remaining 10 sites and expects to obtain the approval of all land transactions by December 30, 2010.

- **Commencement of work for the signed contracts.** Nine contracts for 11 schools, for a total cost of about US$13.5 million, have been signed as of September, 2010. The mission urged the PMT to speed up the process of completing the procurement process for supervision consultants so that

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\(^1\) Schools are completed, but their contracts remain active due to other schools under the same contracts that are still under construction.
the construction can start for these signed contracts. It is expected that 3 more contracts will be signed by the end of November, 2010. The PMT is preparing bidding documents for site survey and soil tests for the 24 Phase II sites for which land approval has been acquired.

10. **The implementation of the other TEEP subcomponents (including teacher training and capacity building for curriculum development) has been slow, but smoother progress is expected in the future.** During the past few months, the MOE has focused on putting the implementation structure for these subcomponents in place. Prior to the mission the implementation teams and focal points for curriculum development capacity building and teacher training were appointed. School mapping and a manual for school design will also need focal points to be appointed by November 15, 2010, in order to support effective implementation of these activities.

### III. PROGRESS IN ESCRORP

**Implementation Status**

11. To date, 133 schools have been rehabilitated and the construction of 32 schools completed. For the completed schools, some contractors have been issued the initial and final handover certificates, while others were only issued with initial handover certificates. The PMT will assign one of its staff to complete the issuance of the final handover certificates and record this progress in the next Quarterly Progress Report (QPRs).

12. The PMT briefed the mission on progress for the remaining school construction contracts (see Annex 4). The mission also discussed the reasons for delay and rationale for suspending implementation at related sites (Annex 8). The main reasons for delay are: (i) lack of familiarity of contractors with internationally accepted business practices, especially the monthly submission of invoices and their proper documentation, (ii) weak Iraqi banking payment system, (iii) poor performance of contractors and/or supervision consultants, and (iv) poor contract management.

**Construction of 6-classroom blocks and toilets at 20 existing schools in Baghdad**

13. This new component was agreed during the restructuring of the project in order to make use of about US$8.8 million surplus. The component includes: construction of (i) a 6-classroom block addition in 20 existing schools; and (ii) a 6 unit toilet block at 19 schools (one of the 20 schools currently has sufficient toilet facilities). This intervention will provide 120 additional classrooms reducing the average number of students in each classroom from 54 (range from 41 to 105) to 39, which is close to the norm of 40 that has been adopted by MOE. Four schools will still experience overcrowding until the ministry redistributes students among the 20 schools where additional classrooms have been built.

14. During the course of the mission, all architectural and engineering documents including BOQs and cost estimates were reviewed, and the World Bank gave no objection to the bidding documents. The design of the 6-classroom blocks is an adaptation of the prototype schools developed under TEEP with added details and specification standardized. The PMT expects to invite bids around October 25, 2010. It is expected that the contracts will be awarded in January 2011. The estimated cost of the 20 sites is IQD 7.255 billion (US$6.2 million equivalent). A contingency allowance of 12% was added increasing the overall budget for construction to about US$6.95 million. Supervision costs are covered by the DOEs.
15. The 20 schools are grouped into 5 packages (one per DOE) in five DOEs in Baghdad as follows (see details in Annex 6):
   (a) Package 1 (3 schools): 1 primary and 2 secondary schools in Risafa 2
   (b) Package 2 (5 schools): 4 primary and 1 secondary school in Risafa 3
   (c) Package 3 (3 schools): 3 primary schools in Karkh 1
   (d) Package 4 (5 schools): 2 primary and 3 secondary schools in Karkh 2
   (e) Package 5 (4 schools): 3 primary and 1 secondary school in Karkh 3

16. Each of the 5 packages will be managed by DOE staff. One site engineer (see key functions in Annex 5) will be assigned at each school and will be supported by other DOE engineers (electrical, sanitary mechanical, etc), as needed. The staff will be supervised by the Director of the School Building Section of the DOE. The site engineer will keep daily records of all activities at the site in a log book and there will be on-site weekly meetings with the contractor to discuss progress, issues and actions proposed.

17. Plans for the 20 sites were reviewed again during the mission to determine the boundaries of the construction area in each site so that they are effectively separated from the school. Construction for Khoza’a primary school had been decided to use MOE’s budget, hence this school was replaced by Al-Nahrain secondary school under ESCR. The plan of that school will be reviewed as soon as it is produced. These provisions will be spelled out in the bidding documents. This visual barrier should be sturdy enough to withstand collapse during the construction period.

18. The construction is estimated to start in early February 2011 and be completed in early December 2011. The additional facilities will be ready for use during the second school semester. The implementation steps for this construction are presented in Annex 7.

Procurement

19. The mission reviewed the status of each non-completed contract. Specific issues, recommendations and agreements are recorded in Annex 8.

20. The mission also discussed the conclusions of investigation by the World Bank regarding allegations of fraudulent practices by Crown Agents, a management consultancy service provider, hired between November 2006 and July 2008 under ESCR to provide procurement capacity building for the project. A letter from the World Bank will be sent to the Ministry of Education by end of October, explaining the final position of the World Bank concerning this contract and emphasizing the need for closer oversight of contracts in the future.

Financial Management (FM)

21. ESCR IQD Payments delay. Due to changes in the World Bank banking arrangements inside Iraq, most of the Bank-financed projects suffered from delays in the processing of IQD payments. The Bank has finalized new banking arrangements by which IQD payments are now processed through the Central Bank of Iraq (CBI), as well as a number of local banks in Iraq. Seven IQD transactions so far have been processed through the new arrangements. The mission requested the PMT to follow up closely with the beneficiaries to verify their receipt of the funds.

22. ESCR Designated Account (DA). There are growing concerns about the stability of the financial institution in which ESCR DA is maintained. Therefore, in order to protect the Project’s funds, it has been agreed that the PMT will close the current DA and open a new account in another financial institution. Based on the latest instructions issued by the General Secretariat for the Council of Ministers dated February 2, 2010, all ministries and related governmental agencies are prohibited from depositing
funds in commercial banks. Hence, ESCRIP is only allowed to have the new DA opened at a state-owned bank. In this respect, the mission has advised the PMT to have the new DA account opened at the Trade Bank of Iraq (TBI), which is the same financial institution in which the World Bank IQD funds are maintained. This arrangement would minimize the number of banking channels through which the World Bank IQD funds are transferred and ensure smooth and timely receipt of funds by the Project. Based on the growing needs of ESCRIP for liquidity, the mission and the PMT agreed to have the DA opened and withdrawal application for replenishment is submitted no later than November 4, 2010.

23. The Board of Supreme Audit (BSA) 2009 Report. As discussed with the DG of Financial Affairs at MOE, the BSA has issued its audit report for the year 2009 for MOE that covers both ESCRIP and TEEP. The DG informed the mission that a copy of the report with the auditing outcomes for the Bank’s information will be sent to the Bank no later than October 31, 2010.

24. Al Ejam Contract. The mission discussed with the PMT the issue of the first payment of US$137,297 to Al Ejam, which exceeded the final delivered construction work by US$17,559 due to the poor performance of the contractor. The PMT has coordinated with the legal department at MOE and a lawsuit against the contractor has been filed. The Court found that the contractor was only due an amount of US$8,445 for works completed under this contract, and that the remaining amount of US$9,114 should be refunded to the PMT. Since the contractor currently has a contract with the MOE School Building Directorate (SBD), the PMT has requested officially from the SBD to deduct the amount of US$9,114 from the contractor’s contract. Recently, the SBD informed the PMT that the contractor has an amount of IQD3,173,868 (US$2,745) as retention money, which the PMT asked the Directorate to seize and transfer the amount to PMT’s account. The PMT will follow up on this issue with all related parties and ensure that the funds are refunded to the Project by December 15, 2010.

25. ESCRIP Audit Report. An Audit Report with audited financial statements and management letter for the year ended December 31, 2009, were submitted to the Bank with some delay. The auditor has expressed a “qualified” audit opinion related mainly to ineligible expenditures and an excess payment. Since then, the PMT has implemented corrective measures to address the reported qualifications, including enhancing control procedures and refunding the ineligible expenditures to the Bank. In addition, the management letter did not raise any significant internal controls issues. The existing audit contract will expire on December 31, 2010. Therefore, the PMT has been requested to ensure that the contact is extended to cover additional period up to the new closing date (June 30, 2012) by November 15, 2010.

26. Detailed comment on FM and disbursement are presented in Annex 10.

Monitoring and Evaluation

27. The mission received a useful progress report during the mission, and provided comments to the PMT on how to improve it. The mission stressed that, as per the Grant Agreement, progress reports should be submitted to the Bank quarterly. The next progress report, covering the period July-September 2010 is due by November 15, 2010.

Safeguards

28. The mission would like to thank the PMT for their compliance with the Bank’s Disclosure Policy OP 17.50 by disclosing the ESSAF document with all of its attachments (in Arabic and English) on the MOE official web site, on August 13, 2010.

29. The PMT expressed some difficulties in finding competent environmental consultants that could be contracted for the project. The TORs was finalized during the August 2009 mission and the EOI was
advertized by the PMT in local newspapers on May 13, 2010. The PMT informed the mission that they have received CVs of four environmental consultants, but that only one of them met the qualification criteria to be short listed. The PMT later informed the World Bank team that the fee requested by that short listed candidate was too high for such an assignment. The PMT finally succeeded in contacting an assistant professor of environment in the University of Baghdad. This assistant professor has extensive experiences with the Bank’s projects in general and with the ESSAF in particular through his successful engagement with the Bank’s water and sanitation projects in Iraq. The PMT met with this assistant professor and his management at the University of Baghdad, and the University agreed to issue a letter allowing his assignment at the PMT by November 1, 2010. The professor will be working with the PMT on ESCR and TEEP one day a week, starting immediately after the letter is issued. He will train the PMT newly employed junior environmental engineer that was recently assigned to the projects, and will work with her as a team on environment issues for both ESCR and TEEP.

30. The mission agreed with PMT to submit the ESCR comprehensive environmental compliance report by December 2010, and to include a section on environmental status and compliance of the project in line with the ESSAF requirements in the next QPR.

IV. PROGRESS IN TEEP

Implementation status

31. The project was restructured and the restructuring approved in July 2009. Objectives of the restructured project are to assist MOE in reducing school overcrowding and to strengthen its capacity to improve quality of teaching and curricula. Since the June 2010 mission, the PMT has made significant progress on land authorization issues and obtained the approval for 12 sites (14 schools) in Phase I and 24 sites (24 schools) for Phase II. Only 10 sites remain to be approved during the coming two months. Progress on this was due to efforts made by the PMT, support from H.E. the Minister of Education, and the Prime Minister Advisory Committee (PMAC) who facilitated the official correspondences among different ministerial and other official entities, and other ministries. Noticeable progress has been made in the consultancy supervision packages, which the PMT will submit to the Bank for no objection shortly after the mission.

Component 1: Educational Infrastructure

Component 1.1: School construction, equipment and furnishing.

Phase I School Constructions

32. The 15 schools estimated at US$20.5 million were planned to be tendered in 13 packages for 11 governorates (See Annex 11 for details), but one package (with one school) had to be cancelled due to a land issue.

33. Before the bids were invited on February 23, 2010 package W01 (Babel) was withdrawn because of doubts that this site would be assigned to MOE for educational purposes. However, the land issue was subsequently resolved and the package was tendered on September 1, 2010. Of the nine bidding documents sold of this package, eight responses were received. The bids were opened and read on September 30, 2010. Five of the eight bidders are below the estimate of US$1.65 million. Package W06 (Baghdad R2) was cancelled because the land could not be assigned to the MOE (the land belongs to a non-governmental entity). Bids for the remaining 11 packages were invited on February 23, 2010 and bids were received and opened on March 30, 2010. All bids were below the estimates and the evaluation
committee recommended awards for all 11 packages. However, a problem arose after the evaluation when it was found that one of the bidders for packages W10 (Karbala) and W11 (Najaf) received a priced BOQ by mistake. However, this bidder was not among the evaluated bidders because he failed preliminary examination before the issue was revealed. The evaluation committee recommended an award to the lowest evaluated bidder, but the PMT/MOE did not award the contract until the issue was further investigated, and requested all bidders to extend their validity periods. The issue was discussed and a conclusion reached that there were no grounds to cause further delay by re-tendering, hence it is expected to receive the final Bid Evaluation Report shortly after the mission.

34. The remaining nine packages have been awarded and contracts signed, but only one has taken possession of the site and started construction. These 9 packages represent a value of US$13.5 million. The contract documents provide for an up to 20% advance payment upon signing, but it appears that some contractors are not interested in advance payments. The reason for lack of interest on the part of contractors to ask for advance payment was discussed in detail. Advance payment is a tool to help with the financing requirements of the works, and should be paid against a bank security of the same amount as clearly mentioned in the contracts. No other invoices and receipts for equipment and material are required for advance payment. In addition, since the delays are not always caused by contractors, and that advance payment is to help with the financing of the works, the advance payment reductions (recovery) should be as a percentage of invoices, instead of a time dependent recovery. The PMT was urged to encourage advance payment being made to all contractors that can provide a bank guarantee against the advance. If all contractors agree to receive such an advance, the project would disburse US$2.7 million immediately. So far, only one contractor (Baghdad K2) has submitted such a guarantee.

35. **Supervision.** The above construction packages were grouped into four supervision packages for which expressions of interest (EOIs) were received from 16 firms. Of these 16 firms, six were shortlisted and issued RFPs. The evaluation report will be submitted to the Bank shortly after this mission. If “no objection” given to proceed with opening the financial proposals, recommendations for awards should be submitted to the Bank by October 30, 2010. The four supervision packages are as follows:

- (a) C62-I: W02, W05, W07 – 3 contracts, 4 schools.
- (b) C63-I: W03, W12, W13 – 3 contracts, 4 schools.
- (c) C64-I: W01, W08, W09, W10, W11 – 5 contracts, 5 schools.
- (d) C65-I: W04 – 1 contract, 1 school (due to Ninewa’s geographical isolation).

36. Due to expected delays in the award of construction contracts W01 and W10 and W11, the supervision contract C64-I, which includes 5 sites, will start with only 2 sites. This is not expected to be a problem since there will be one manager with a team of specialist engineers for all sites and only one site engineer per site. These supervision contracts will be time-based.

37. The implementation schedule for Phase I schools is attached in Annex 12.

**Plans for Phases II and III**

38. The PMT has identified 38 sites, 24 of which are ready for tendering under Phase II, as soon as the site layouts are designed by consultants. The supervision will be contracted separately. The remaining sites will be ready as soon as all land assignment documents are in place. Preparations for site surveys to be carried out by the staff of the DOEs are under discussion. Soil investigations will be carried out by local firms for groups of sites according to their geographical locations. These firms will be selected under shopping or CQS procedures. The schedule for the 24 phase II schools was discussed as presented in Annex 13. The 24 sites and their characteristics are presented in Annex 14. The remaining
sites will be under Phase III and will comprise 10 to 14 sites depending on the type of schools decided by the MOE and the DOEs.

**Component 1.2: Strengthening Planning and Management**

39. The prototype school design has been completed. Annex 15 illustrates the complete design and engineering of 14 types of modular buildings (architectural and engineering drawings, Bill of Quantities, and specifications) and related external works (which are ready for insertion into the standard bidding documents). This modular approach provides great flexibility in site layouts. This will save time and effort in all subsequent school designs in which only site layouts need to be designed.

40. **School Mapping.** Following the EOI notices in UNDB and DgMarket on January 6, 2010, the PMT received responses from 8 firms by February 11, 2010. However, after evaluation of the material received only two of the firms were found to satisfy the required criteria for the assignment. The mission checked the EOIs as published and found that they are quite clear and explicit about the assignment and could not explain the poor response. During the mission the TORs were discussed and scope of work was further defined (e.g., to reduce the number of activities and ensure that the deliverables are easily identified). The representatives from the Information Technology Center (ITC) and the School Building Directorate General (SBD) participated in the discussion. The PMT will finalize the TORs in collaboration with the relevant departments of the MOE by October 31, 2010. The Bank agreed to help the PMT identify suitable firms or even individual consultants that can undertake this assignment. A list of possible consultants should be prepared by November 15, 2010. The consultants would be asked if they are interested in receiving an RFP.

41. **School Design Manual.** The PMT published the EOI notices in UNDB and DgMarket on January 6, 2010, and received responses from 5 firms on February 11, 2010. As in the above assignment, only 2 firms were found to be marginally relevant and suitable for this assignment. The mission agreed that the PMT would need help to identify suitable firms for this assignment. The Bank will also help with the preparation of the RFP as soon as agreement on the TORs is reached with the PMT. During the mission, the TORs were discussed and scope of work was further defined (e.g., to reduce the number of activities and ensure that the deliverables are clearly identified). The representatives from the School Building Directorate General (SBD) participated in the discussion. The PMT will finalize the TORs in collaboration with relevant departments of the MOE by October 31, 2010 to proceed with next steps.

42. **Contract Management Training.** This assignment is expected to provide training in all aspects of contract management for 20 MOE central staff (PMT & SBD) and 40 staff from the 20 DOEs (2 engineers from each). This TA assignment will be undertaken by an individual consultant on a lump sum contract. The program for the training remains to be designed as soon as the PMT finalize the draft TORs.

**Component 2: Institutional Strengthening for Education Quality Improvement**

**Component 2.1: Capacity Building for Curriculum Development**

43. Initial discussions regarding Component 2.1 focused on presentations by the designated Iraqi team to provide the Bank team with an understanding of the current policy directions, institutional structure, and operational procedures adopted by the Directorate General of Curriculum. This was followed by further discussion to clarify the specific professional development needs in the areas of (i) current trends in curriculum development and evaluation; (ii) development of general and specific curriculum outcomes; (iii) development of course descriptions and course content; (iv) standards and benchmarking; (v) trialing and validation; (vi) curriculum evaluation; and (vii) quality assurance
mechanisms in authoring textbooks and related products. The Iraqi Team also proposed the idea of establishing a Center for curriculum development and evaluation.

44. Building on these discussions, it was agreed that the Capacity Building for Curriculum Development program would have four phases. The first phase would comprise an inception phase during which the selected consultant would convene focus group discussions with stakeholder groups who participate in the curriculum development process, review current practices and curriculum products arising, undertake a review of documents provided by Iraq’s other development partners working in the curriculum field and, on the basis of this information develop a detailed implementation plan. Phase 2 would comprise the implementation of an intensive four week study tour outside Iraq for leaders in the curriculum development field to gain experience in current best practice in the field. Phase 3 would establish working groups tasked with the development of general curriculum outcomes for the 22 subjects which currently comprise the primary and secondary education program in Iraq, and development of a manual for curriculum evaluation. Phase 4 would focus on the issue of authoring of text books, teacher guides and learning resource materials, and the production of a related procedure manual to ensure quality.

45. The foregoing program was captured in the preparation of Terms of Reference for inclusion in a Request for Proposal (RFP). These Terms of Reference were reviewed by the Iraqi delegation during the mission, and endorsed as being an accurate reflection of their professional development needs. These Terms of Reference are provided in Annex 16. It was agreed that the PMT would immediately issue a call for Expressions of Interest (EOI) for consultants to undertake the assignment, based on these TOR’s and that the RFP would be submitted to the Bank for No Objection no later than end November 2010. The relevant departments in MOE shall prepare themselves ready for implementation.

Component 2.2: Capacity Building for Teacher Training

46. Initial discussions regarding Component 2.2 focused on presentations by the designated Iraqi team to provide the Bank team with an understanding of the current policy directions, institutional structure, and operational procedures adopted by the Institute of Teachers Training and Development (ITTD). This was followed by more detailed discussions relating to the challenges arising from the recruitment of 6,000 who have had little or no professional development since their recruitment. Output from these discussions identified two complementary needs and objectives. Firstly to introduce and develop a range of skills amongst the teacher trainers in current teaching and learning practices which would include but not be limited to: (i) new trends in teacher training; (ii) team based learning; (iii) exploratory learning; (iv) the use of portfolios; (v) use of ICT resources; (vi) reflective learning; and (vii) constructivist learning approaches. Secondly to design and deliver an intensive program of basic pedagogical upgrading for the 6,000 newly recruited teachers which would focus on basic education psychology, lesson planning, classroom management, teaching and learning practices, participatory learning and student evaluation.

47. Building on these discussions it was agreed that the Capacity Building for Teacher Training would have 5 phases. Phase 1 would comprise a rapid assessment of teacher training needs which would be addressed through a series of focus groups discussions comprised of key stakeholders in the sector. Output from this phase would inform the final design of all subsequent phases. Phase 2 would focus on the development of an implementation plan for teacher upgrading while phase 3 would comprise the design and delivery of a three week professional development program for 20 Master Trainers which would be delivered outside Iraq, followed by a similar professional development program for 70 Teacher Trainers that would be delivered by the Master Trainers with additional support from the selected consultant. Phase 4 would concentrate on the preparation, printing and distribution of training materials that would be used for training of newly appointed teachers in the field, while phase 5 would comprise
delivery of the teacher training program for 6,000 teachers over three years, which would be undertaken by ITTD with no additional support from the consultant.

48. The foregoing program was captured in the preparation of Terms of Reference for inclusion in an RFP. These Terms of Reference were reviewed by the Iraqi delegation and endorsed as being an accurate reflection of their professional development needs. These Terms of Reference are provided in Annex 17. It was agreed that the PMT would immediately evaluate the Expressions of Interest previously submitted by interested parties and prepare a short list for submission to the Bank for No Objection by end November 2010. This would be followed by the immediate issuance of the RFP, leading to the selection of a party to deliver the required services by end March 2011.

Procurement

49. Many procurement related issues are discussed already in the previous sections of the Aide Memoire. A few specific issues are highlighted as follows, and further details provided in Annex 9.

50. **Packages W10 and W11.** Considering that the issue of CD contained a priced BOQ has been investigated by the MOE, and is now resolved, the mission expects to receive the Bid Evaluation Report of packages W10, and W11 by October 30, 2010.

51. **Evaluation Report for Supervision Consultants.** The evaluation of the proposals for the supervision consulting firms has taken more than three months, while due to the urgency of the matter the consulting firms were only given only 21 days to prepare and submit proposals. This needs to be addressed to make sure that evaluations are done in timely manner. The evaluation reports were discussed, and were eventually received during the mission.

52. **Soil Tests for Phase II school constructions.** Phase II implementation schedule was discussed, and it was agreed that soil investigation (using shopping method) would be carried out in parallel with the finalization of the land ownership and site surveys. A sample RFQ for soil investigation was finalized during the mission.

53. **TORs and RFP for component 2.** TORs and resulting EOIs for capacity building in curriculum development, and teacher training activities were concluded, and a draft RFP prepared.

54. **Procurement Plan.** The Procurement Plan was discussed in detail, and the revised plan is expected to be submitted to the Bank by October 17, 2010.

Financial Management

55. **TEEP Low Disbursement Rate.** According to Client Connection, 0.38% of the credit has been disbursed. The disbursement rate is expected to increase during the next period as the Project has signed civil work contracts for an approximate value of US$13.5 million.

56. **TEEP Outstanding Audit.** TEEP audit report with audited financial statements for the period from the date of effectiveness up to December 31, 2009 has not yet been submitted to the World Bank. The audit report is due since June 30, 2010. The PMT signed the contract with the auditor on October 14, 2010. The audit contract will cover the fiscal years 2008, 2009 and 2010. The mission has requested the PMT to urgently ensure that the auditor has been contracted and that the audit report is submitted by no later than October 31, 2010 to avoid the application of legal remedies, as per the World Bank BP.10.02.
FM Training. Taking the opportunity of the PMT presence in Amman, the Project Financial Officer, Accountant, and assistant Accountant visited one of the FM and banking training institutions in Jordan. During this visit, the PMT members were provided with a demonstration of the FM training programs that the institute provides as well as their teaching facilities. The mission has requested the PMT to speed up the process of identifying suitable FM training programs in order to have both the PMT FM staff as well as the MOE FM staff trained no later than November 30, 2010.

TEEP Accounting Software. Unfortunately, no progress has been made on identifying a suitable FM and accounting software. Based on the current slow implementation pace of the Project that resulted in limited financial transactions, the current accounting and reporting arrangements are deemed to be adequate. During the coming period, however, the financial transactions are expected to increase, thus the use of accounting software would ensure more reliable financial information and reporting, and provide additional effective controls over financial management.

Detailed comments on FM and disbursements are provided in Annex 10.

Safeguards

The mission would like to thank the PMT for their compliance with the Bank’s Disclosure Policy OP 17.50 by disclosing the ESSAF document with all of its attachments (in Arabic and English) on the MOE official web site on April 18, 2010.

The mission would like to raise its concern regarding non-compliance by MOE with the consultation requirements of the ESSAF, despite previous agreements made during the last four missions. It has previously been made clear to the PMT and MOE that consultation with project affected groups and local nongovernmental organizations on the project environmental and social aspects are one of the mandatory requirements of the ESSAF. The status of the PMT staffing regarding environmental safeguards is already addressed in the section of ESCPR above.

It was agreed that consultations for TEEP will be organized and managed by the environmental consultant and will take place by end of December, 2010. The consultation will be targeted towards representatives of all relevant stakeholders such as local authorities, NGOs, user groups etc. The consultant should deliver a presentation of the project, its environmental and social impacts, and the proposed mitigation and monitoring measures on behalf of the MOE. The consultation process should be appropriately documented and findings included in the environmental report.

The mission would like to thank MOE and PMT for taking the first step towards mainstreaming environmental issues into MOE through the hiring of an environmental engineer, who will act as the safeguard focal point (SFP) of MOE to coordinate environmental and social aspects of the projects and to fully engage with the project environmental consultant.

The mission would like to reiterate that the project will not finance any subprojects on non-publicly owned land and that no land acquisition is allowed under this project. Evidence of public land titles and proof of sites assignments to MOE from other public sectors must be submitted to the Bank before Bank’s no-objection is granted. PMT reported to the mission that a total of 14 sites of phase-I were already been titled to schooling and authorized officially to be used by MOE (copies of all 14 titles as well as their official authorizations have been provided by PMT to the Bank during the mission). The PMT also reported to the mission that a total of 24 sites out of 38 sites were already been approved for schooling for Phase-II of the project and copies of all of their titles as well as their official authorizations to MOE have also been sent to the Bank during the mission.
65. The mission discussed the Social Analyses financed by the Bank’s own budget for the Phase I construction sites. The PMT agreed that these analyses were very useful, confirmed that they had no comments on the final report, and agreed that such analyses for Phase II would be financed by the project. The selection of a consulting firm to carry out the analyses should be included in the procurement plan. The mission has provided sample TORs for the assignment, and the selection process should be launched with no further delay.

**Monitoring and Evaluation**

66. The mission received a useful progress report during the mission, and provided comments to the PMT on how to improve it. The mission stressed that, as per the Grant Agreement, progress reports should be submitted to the Bank every six month. The next progress report, covering the period July – December 31, 2010 is due by February 15, 2011. However, due to the high interest that the different stakeholders have in this project, the mission kindly requests the PMT to send progress reports quarterly. The next Quarterly report is due on November 15, 2010. An example of the Quarterly Progress Report will be provided by the World Bank team in October 2010, which could be used as a template for both TEEP and ESCPR.

**Replacement of Clay schools using TEEP Funds**

67. The mission discussed with the MOE delegation the latest letter from the MOF to the Bank (dated September 23, 2010) regarding the use of part of TEEP funds to replace clay schools, as well as the proposed role for the Supreme Council for Construction in TEEP. The MOE delegation indicated that they would discuss with H.E. the Minister of Education and inform the Bank of further developments.

**V. IMPLEMENTATION ARRANGEMENTS AND PROJECT MANAGEMENT**

**Procurement**

68. **Staffing:** Although the PMT had strengthened the number of staffing to have one assistant procurement officer and three junior staff working on procurement and seven staff on Contract management, hiring 1-2 Procurement Officers (as well one procurement assistant) is an urgent need to lead the many procurement works ahead for both TEEP and ESCR. If the position cannot be filled by civil servants easily and quickly, the MOE should consider hiring international or local procurement experts (consultants) who will help to lead the procurement functions, build stronger capacity, and mentor the new PMT members in relation to procurement functions.

69. **Training:** The Bank’s Procurement Specialists provided a one day training in October 2010 to four new PMT members to strengthen the capacity of the Project Management Team working under the World Bank financed projects, as well as to increase fiduciary awareness and compliance with public procurement. The World Bank’s mission advised that new PMT members need to receive adequate training on procurement under Bank’s financed operation and contract administration.

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2 The Country Director of the World Bank met with H.E. Minister of Finance and H.E. Minister of Education in Baghdad on October 31 and November 2, 2010. An agreement was reached that the TEEP will be implemented without further restructuring to incorporate replacement of clay schools, and will accelerate its progress with clear milestones to be achieved in the next six months. If, after six months, project implementation pace does not improve, the Government and the Bank would consider options to cancel all uncommitted funds and/or reallocate to other related activities.
70. **Post Procurement Reports (PPRs):** The mission discussed the upcoming PPRs for both TEEP and ESCRCP and agreed on end of March 2011 to conclude those reports. The PMT needs to coordinate and provide all the necessary documentation to the FMA in advance to enable them to conduct the review on time.

**Project Management**

71. In addition to the project management related issued discussed in an earlier section (General Progress and Key Issues), the mission also discussed the need to improve the working conditions in the PMT premises. The PMT Leader indicated that the PMT may move within the MOE new building (currently under construction) next summer. In the meantime, there is a need to improve the PMT working conditions. The generator is no longer functioning and office furniture and equipment are inadequate. The PMT Leader will take the necessary steps to improve these working conditions, and will ensure that the updated procurement plan and disbursement schedule reflect the PMT’s needs. The mission stressed that the PMT must improve its physical environment in order to carry out its tasks and duties efficiently.

72. **Updating Project Implementation Manual (PIM).** It was agreed during the mission that the PMT will revise and update the PIM. The mission shared with the PMT some consultants’ CVs, who may be able to support the PMT in this important assignment. The PMT shall contract a consultant to assist in this task no later than end of November 2010, and complete the task by end of January 2011.

**VII. ACTION PLAN AND NEXT MISSION**

73. The mission together with the PMT team reviewed and agreed upon an action plan of activities to be carried out before the next supervision mission (see Annex 18).

74. The next supervision mission has been scheduled for around the third week of January 2010.