



INTERNATIONAL RECONSTRUCTION FUND FACILITY FOR IRAQ
WORLD BANK IRAQ TRUST FUND
REPORT TO DONORS



UPDATE AS OF SEPTEMBER 30, 2007



LIST OF ABBREVIATIONS

BSA	Board of Supreme Audit
CPPR	Country Portfolio Performance Review
DfID	Department for International Development
FM	Financial Management
FMA	Fiduciary Monitoring Agent
GOI	Government of Iraq
ICI	International Compact for Iraq
IDA	International Development Association
IRFFI	International Reconstruction Fund Facility for Iraq
ITF	Iraq Trust Fund (World Bank)
KRG	Kurdistan Regional Government
MOF	Ministry of Finance
MOPDC	Ministry of Planning and Development Cooperation
PEFA	Public Expenditure and Financial Accountability
PEIA	Public Expenditure and Institutional Assessment
PFM	Public Financial Management
PMT	Project Management Team

THE WORLD BANK IRAQ TRUST FUND

Progress Report Update

October 2007

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A. PUBLIC SECTOR GOVERNANCE

1. The World Bank's overarching objective is to assist Iraq build capacity for better public sector governance, with an emphasis on public financial management (PFM), given Iraq's challenge to use its own resources transparently and effectively. The World Bank provides policy advice and technical assistance to support Iraqi-led PFM reforms. Iraq's commitment to improving its use of public resources is reflected in the central role PFM plays in the socio-economic pillar of the International Compact for Iraq (ICI).

2. To provide an analytical foundation for Iraqi-led PFM reform, the World Bank and the Government of Iraq (GOI), with participation of key donors, are undertaking a Public Expenditure and Institutional Assessment (PEIA). Since July 2007, the World Bank has organized and financed a series of workshops in Baghdad to document the status of Iraq's PFM system using the Public Expenditure and Financial Accountability (PEFA) framework. Each of seven workshops held has included about 30-40 Iraqi participants from the Ministry of Finance (MOF), Ministry of Planning and Development Cooperation (MOPDC), line ministries, and the Board of Supreme Audit (BSA). The final three workshops will be held in late October and November, and a draft PEIA report will be completed by the end of the year. Several workshops have also been held to undertake an in-depth review of PFM in the education sector, which will serve as a case study for the PEIA.

3. Strengthening systems and capacity at the provincial and regional levels is a critical component to improving PFM since budget transfers to sub-national governmental agencies are increasing in accordance with constitutional mandates. Consequently, at the request of the MOF, and as part of the joint PEIA exercise, the World Bank provides capacity building on decentralized PFM in Iraq. Between January and April 2007, the Iraq Trust Fund (ITF) financed two workshops through the Second Capacity Building Project that focused on PFM at the sub-national level. The workshops provided exposure to international experience and hands-on-training to help the Kurdistan Regional Government (KRG) region and the southern and central governorates define their own priorities and develop specific action plans to improve PFM, based on international benchmarks and experience. The World Bank's approach at the sub-national level—like that at the national level—is to build Iraqi ownership for the problems and the solutions, to help the Iraqi authorities identify and implement short- and medium-term actions to strengthen PFM systems and improve budget execution. A draft report is nearly complete and will be submitted shortly to the government.

4. To support improved public sector governance, the Second Capacity Building Project financed an Audit and Accountability Workshop in August 2007, held in Beirut. High high-level officials, including the President of the Board of Supreme Audit and equivalent Kurdish bodies attended the workshop, which aimed to strengthen public accountability. Specifically, the workshop was designed to help the BSA: (i) improve resource planning by applying risk-based auditing techniques; (ii) increase the effectiveness of audits at the sub-national level; and (iii) work with civil society to enhance the demand for better governance. Follow-up work in all three areas is planned to take place before the end of the year.

B. PROJECT IMPLEMENTATION ISSUES

5. Many of the ITF-financed projects continue to face serious, ongoing implementation impediments. The World Bank's project monitoring system indicates that seven of eleven active Iraqi-implemented projects are making unsatisfactory progress. In July 2007, the World Bank launched a Country Portfolio Performance Review (CPPR), a joint exercise of the World Bank and recipients designed to both identify issues that hamper project implementation, and to reach

agreement on specific actions to be taken by the World Bank, Iraq's central ministries, and implementing agencies to address weaknesses and improve project performance. A CPPR typically identifies both project-specific issues and country-wide issues, including procurement and financial management problems, administrative bottlenecks, and capacity constraints. The results of the CPPR will also help determine the future allocation of resources to maximize impact.

6. The initial phase of the CPPR, in which the World Bank and Iraqi project management teams (PMTs) conducted a project review at the technical level, was completed in August 2007. In September 2007, the World Bank organized a discussion at the ministerial level to consolidate issues and reach agreement on what actions should be taken, when, and by whom to address weaknesses. While most of the Iraqi PMTs actively participated in the joint workshop, there was no attendance from either the critical Ministry of Planning and Development Cooperation (MOPDC) or the Ministry of Finance (MOF). In October 2007, the World Bank shared a draft matrix of the major issues identified and actions needed to improve the project performance with the Project Management Teams, their ministries, as well as MOPDC, MOF, and Deputy Prime Minister, Barham Saleh for review and comment. Upon completion of the CPPR exercise, the World Bank will present specific proposals for project restructuring and cancellation, and recommendations to provide additional allocations to those projects that are implementing well and demonstrating impact (e.g. the Community Infrastructure and Household Survey projects). Box 1 broadly outlines some of the results of the CPPR.

Box 1: Initial Results of Country Portfolio Performance Review

Project implementation is hampered by the following factors:

- Security conditions
- Currency fluctuations and price escalation
- Payment delays for Iraqi Dinars
- Inadequate cash flow available in project accounts
- Project management and PMT issues, including frequent changes in staff and overall diminishing capacities
- Uneven collaboration with ministries

Some actions to be considered to increase the impact of the portfolio include:

- Restructure and/or cancel projects that are not likely to be completed on time and/or generate lasting results.
- Establish new correspondent bank in Iraq with more extensive branch network that can transfer funds electronically and provide periodic bank statements.
- Pilot alternative disbursement arrangements in two projects that can meet minimum fiduciary requirements.
- Recommend counterpart financing for some projects affected by price escalation and/or provide additional ITF financing for other projects.
- Request dedicated Ministry of Finance staff to work closely with Bank on monitoring and resolving portfolio issues.

7. Immediately following the CPPR meeting in September, the World Bank held a Financial Management (FM) and Disbursement workshop with members of many of the PMTs to review World Bank guidelines and fiduciary requirements, analyze disbursement and FM problems faced

in the projects, and introduce the designated account as an additional disbursement method that may be piloted in two projects. Box 2 outlines the designated account approach that the World Bank may pilot in the Emergency Household Survey Project.

Box 2: Proposed Pilot of a Designated Account for the Household Survey Project

The Household Survey Project (US\$5.1 million) supports the Iraqi Ministry of Planning and Development Cooperation (MOPDC) to strengthen Iraq's ability to establish a poverty line, target social assistance to the neediest, and make informed policy decisions. The project finances the first nation-wide expenditure survey since 1988. Approximately 18,000 households are being interviewed over a continuous 12 month period. Fieldwork started in November 2006 and will be completed within the coming months. Assessment by Bank staff and consultants concludes that the work performed so far is of a high technical quality.

The project engages about 320 field workers to visit households and conduct interviews. The project faces severe liquidity problems in the project account that was provided by the Ministry of Finance. At the same time, while the Bank can disburse money into Iraq in a timely manner, payments get held up due to the lack of a reliable Iraqi banking system with the ability to transfer funds efficiently to local bank branches. In order to ensure fieldworkers are paid their salaries and reimbursed for travel expenses in an accurate and timely manner, the Bank has been working with the PMT to set up conditions under which Bank management could agree to pilot a "designated account", which would essentially function as a revolving advance account, for the Household Survey Project.

Some basic fiduciary requirements that need to be in place in order to establish a designated account are listed below:

- The PMT must collect adequate documentation of payments made to contractors on a timely basis.
- The Ministry of Finance must establish a separate bank account, in order to keep ITF financing separate from other project resources.
- The commercial bank that holds the designated account must provide regular bank statements to the PMT.
- The PMT must reconcile the designated account on a monthly basis, and provide the reconciliation, along with supporting documents, to the Bank for replenishment of the designated account.

While establishing a designated account introduces some increased fiduciary risk, it may reduce other risks associated with payment delays, including reputational risks to the Bank and the donor community, and the impact of work stoppages and further project delays. If the pilot use of a designated account is successful for the Household Survey Project, it could serve as a model for other ITF projects that face difficulties executing Iraqi dinar payments.

C. STATUS OF IDA CREDITS

8. Iraq's Council of Representatives approved the four International Development Association (IDA) loans amounting to US\$399 million on July 29, 2007. The Government has issued the Legal Opinions needed to make two of the approved IDA loans (the Third Emergency Education Project and the Emergency Road Rehabilitation Project) effective as of October 15, 2007. The two remaining IDA projects, both in the power sector, are not yet effective. One project, the Emergency Electricity Reconstruction Project, is also supported by a US\$6 million grant from the ITF. The project, which would double the electricity output of the Hartha power plant near Basra, has not yet been approved by the Presidency Council (consisting of the President and two Vice Presidents).

9. Given the long delay in making the IDA loans effective—the education project was approved nearly two years ago—and the sharp increase in costs in Iraq over the past few years, the projects will need to be re-costed and possibly restructured. The IDA projects are likely to face the same implementation impediments that continue to delay the ongoing ITF-financed projects. Thus, it is becoming increasingly critical for the government to address implementation impediments within its control, and to appoint a technical-level staff person to oversee and trouble-shoot ITF- and World Bank-financed projects, in order for World Bank projects to be successful and for the GOI to demonstrate its commitment to working with international development partners.

D. ITF FINANCIAL STATUS

10. There has been no change in donor commitments or deposits since June 30, 2007. Seventeen donors have pledged US\$462 million to the ITF, and deposited US\$460 million in the ITF. Table 1 displays donor pledges, commitments, and deposits to the ITF as of September 30, 2007.

**Table 1: Donor Pledges, Commitments and Deposits to ITF
September 30, 2007**

Donors	Pledges in Donor Currency		Pledges	Commitments ^{1/}	Deposits
	Currency	Currency (million)			
Australia	AUD	22.0	16.1	16.1	16.1
Canada	CAD	35.0	26.7	26.7	26.7
EC ^{2/}	EUR	123.0	150.0	150.0	150.0
Finland	EUR	2.0	2.6	2.6	2.6
Iceland	USD	1.0	1.0	1.0	1.0
India	USD	5.0	5.0	5.0	5.0
Japan ^{2/}	USD	130.6	130.6	130.6	130.6
Korea	USD	4.0	4.0	4.0	4.0
Kuwait	USD	5.0	5.0	5.0	5.0
Netherlands	EUR	5.0	6.2	6.2	6.2
Norway	NOK	45.0	6.7	6.7	6.7
Qatar	USD	5.0	5.0	5.0	2.5
Spain	USD	20.0	20.0	20.0	20.0
Sweden	SEK	40.0	5.8	5.8	5.8
Turkey	USD	1.0	1.0	1.0	1.0
United Kingdom	GBP	40.0	71.4	71.4	71.4
United States	USD	5.0	5.0	5.0	5.0
Total			462.1	462.1	459.6

^{1/} Includes pledges made at the 2003 Madrid Conference, plus additional contributions provided later.

^{2/} Commitments made in currencies other than US\$ are converted at the exchange rate as of the date of the administration agreement prior to their deposit into the fund, and is for indicative purposes only.

^{3/} Deposits" column shows the actual US\$ equivalent amount credited to the ITF account.

^{4/} In April 2007, Canada deposited an additional CAN\$5 million (US\$4.4 million) following the commitment it made at the Istanbul Donor Committee Meeting in March 2007.

11. The Government of Korea has indicated its intention to provide an additional US\$5 million to the ITF to support infrastructure development and employment creation. The administration agreement for the incremental contribution is expected to be signed by the end of October 2007, bringing Korea's total commitment to the ITF to US\$9 million. The European Commission (EC) has also indicated its intention to provide an additional contribution of €20 million (approx. US\$28.6 million) to the ITF to support public financial management (including investments and capacity building at the national and sub-national levels) and, procurement and

banking sector reform. The additional contribution from the EC would bring its total contribution to about US\$178.6 million; the amendment for the incremental funding is expected to be signed before the end of November.

12. No new projects have been approved since June 30, 2007. The ITF finances 16 grants, valued at US\$437 million, thereby committing about 95% of donor deposits. Two projects are closed, and 14 projects, amounting to US\$393 million, are currently under implementation. Of the 14 ongoing projects, 12 projects, amounting to US\$385 million, are implemented by Iraq, and 2 projects, amounting to US\$8.5 million, are implemented by the World Bank on behalf of the Ministry of Planning and Development Cooperation. A brief description of each active ITF-financed project and its current implementation status is included in Annex 1.

13. Total ITF disbursements—actual payments made—stand at US\$129 million as of September 30, 2007. Disbursements for project expenditures total US\$117 million, accounting for about 90% of total trust fund disbursements.

14. Actual expenditures for project analysis, appraisal, and supervision, including the services provided by the fiduciary monitoring agent (FMA), remain at about US\$10 million. Total costs for management of the trust fund and administration fees total US\$2.5 million. While current disbursements for project work, trust fund administration, and fees currently account for about 10% of disbursements, they represent about 3% of the value of the project portfolio. Projections over the life of the ITF indicate that cost recovery charges for project oversight and trust fund administration will total about US\$31 million, 6% of the value of the fund. . Table 2 summarizes the sources and uses of funds for the ITF as of end-September 2007.

Table 2 - Sources and Uses of Funds
(US\$ Million)

September 30, 2007

Sources and Uses of Funds	Current Program	Receipts/ Expenditures
Sources of Funds		
Donor Deposits	459.6	459.6
Investment Income	48.2	48.2
Total Sources of Funds	507.8	507.8
Uses of Funds		
Project Financing		
Closed Projects		
Capacity Building I	3.6	2.5
Textbook Provision	40.0	38.8
Active Projects		
Capacity Building II	7.0	4.2
School Rehabilitation & Construction	60.0	14.1
Health Rehabilitation	25.0	7.4
Water Supply, Sanitation & Urban Reconstruction	110.0	17.5
Baghdad Water Supply	65.0	7.5
Private Sector Development	55.0	4.4
Community Infrastructure	20.0	15.2
Disabilities	19.5	1.0
Social Protection	8.0	0.2
Household Survey & Policies for Poverty Reduction	5.1	2.7
Household Survey & Policies (Technical Assistance)	1.5	1.1
Marshland Schools (Supplemental Grant)	6.0	0.0
Environmental Management	5.0	
Electricity Reconstruction	6.0	
Subtotal Project Financing	436.7	116.6
Funding Available for Project Pipeline	40.0	
Total Project Financing	476.7	116.6
Cost Recovery ^{1/}		
Project Appraisal and Supervision	26.0	10.4
Trust Fund Management and Administration	5.1	2.5
Total Cost Recovery	31.1	12.8
Total Use of Funds	507.8	129.4

^{1/} Includes projected requirements for project appraisal & supervision of the current portfolio, FMA, trust fund management and administration fees over the life of the ITF (through December 31, 2010).

15. Table 3 summarizes the contracting and disbursement status of Iraqi-implemented projects. About 56% of grant financing for Iraqi-executed projects (US\$237 million) have been contractually committed, and over one quarter (US\$109 million) have been disbursed for project expenditures.

Table 3: Status of Iraqi-Implemented Contracts by Project
(US\$ Million)
September 30, 2007

Recipient-Executed Project	Grant Amount	Tenders		Disbursements
		or RFPs Issued	Contracts Signed	
Textbook Provision (Closed)	40.0	39.1	39.1	38.8
School Construction & Rehabilitation	60.0	37.3	36.9	14.1
Baghdad Water Supply & Sanitation	65.0	47.0	8.4	7.5
Health Rehabilitation	25.0	18.9	14.5	7.4
Private Sector Development	55.0	52.3	39.0	4.4
Water Supply, Sanitation, Urban Reconstruction	110.0	88.0	71.0	17.5
Community Infrastructure	20.0	19.9	19.9	15.2
Disabilities	19.5	4.5	4.0	1.0
Social Protection	8.0	2.5	0.1	0.2
Household Survey & Policies	5.1	2.3	2.3	2.7
Marshlands School (Supplemental Grant)	6.0	2.3	1.3	0.0
Environmental Management	5.0	4.2	0.0	0.0
Emergency Electricity	6.0	-	-	0.0
Total	424.6	318.3	236.5	108.8
As % of Grant Amount		75%	56%	26%

16. The available resources in the ITF stand at US\$508 million: \$460 million of donor contributions plus about US\$48 million of investment income earned since the inception of the ITF. As of the end of September 2007, about US\$437 million is contractually committed through grant agreements with the GOI, and close to US\$13 million has been charged to the ITF for expenditures incurred for project appraisal and supervision (US\$10 million) and trust fund management and fees (US\$2.5 million), leaving about US\$58 million uncommitted or unspent.

17. Against the unspent trust fund balance, funding has been allocated as required for:

- Three projects currently under preparation, including the Second Community Infrastructure Project (US\$15 million), Strengthening Emergency Health Response in Northern Iraq (US\$6 million), and the Education Sector Strategy (US\$3 million).
- Additional financing of US\$12.5 million has been tentatively allocated to three on-going projects, to offset the severe impact of currency fluctuations and price increases, which threaten the completion and impact of the projects: the Household Survey Project (US\$2.5 million), Social Protection Project (US\$2 million), and Private Sector Development Project (US\$8 million).
- As required by the World Bank's planning process, funds have been allocated to cover project appraisal and supervision costs through the end of the World Bank's fiscal year, ending on June 30, 2008. No financing has been set aside to cover project appraisal and supervision, or trust fund management or fees, beyond the current fiscal year, under the

assumption that investment income earned should be sufficient to cover these costs. Funds for project processing and trust fund administration will be allocated on an annual basis, in line with the World Bank's fiscal year planning cycle.

- Funds are contractually committed for the current FMA contract (through December 31, 2007). In addition, funding has been set aside to cover the monitoring agent functions through the termination date of the ITF, which will have to be committed before the end of the calendar year.

18. Taking into account the resource commitments and allocations outlined above, the unallocated balance in the ITF is about US\$10 million, which must be used in line with sectoral preferences of donors, where applicable. Table 4 summarizes resource commitments and availability in the ITF as of September 30, 2007.

	<u>US\$ m</u>
Inflows	
Donor Deposits	459.6
Investment Income Earned	48.2
Total Inflows	507.8
Outflows	
Projects Under Implementation	436.7
Expenditures for Project Appraisal and Supervision	10.4
Expenditures for Trust Fund Management, Administration, and Fees	2.5
Total Outflows	449.5
Available Resources	58.3
Resources Allocated	
Projects Currently Under Preparation	
Community Infrastructure II	15.0
Regional Health	6.0
Education Sector Strategy	3.0
Additional Financing Requested at CPPR (Tentative)	
Social Protection Project (EC)	2.0
Household Survey Project (EC)	2.5
Private Sector Development Project	8.0
Project Appraisal and Supervision through June 2008	3.8
FMA Contract Commitment through December 2010	7.3
Total Allocated Resources	47.6
Resources Available for New Commitments	10.7
of which Committed to Sectors by Donors	
Agriculture (Australia)	6.0
PFM, Capacity Building, Judicial Strengthening (Canada)	4.4
No Preference	0.3

19. In December 2006, the World Bank recommended extending the ITF for three years, from December 31, 2007, to December 31, 2010, to allow financing to continue through project completion for the projects in the current portfolio. While donors agreed in principle to the extension at the Briefing to Donors held in Amman, Jordan in May 2006, the extension became effective in April 2007, when each of the seventeen donors to ITF returned a formal amendment to the administration agreement. Since that time, each PMT prepared revised project implementation plans and requested extensions to the project closing dates, as needed. Table 5

below displays key dates for each ITF-financed project, including the formally revised project closing dates. Note that each project must be completed at least three to four months prior to the termination date of the ITF, to allow an adequate period to disburse against commitments. For new projects entering the portfolio, the World Bank now requires projects to be completed six months before the termination date of the fund.

Table 5: ITF Portfolio - Key Dates

	Grant Amount (US\$m)	Effective Date	Original Closing Date	Revised Closing Date
<u>Active Projects</u>				
Community Infrastructure	20.0	18-Dec-04	30-Jun-07	31-Mar-08
School Construction & Rehabilitation	60.0	14-Oct-04	30-Jun-07	30-Jun-09
School Construction - Marshlands Supplement	6.0	31-Oct-06	30-Sep-07	30-Jun-09
Private Sector Development	55.0	6-Dec-04	30-Jun-07	30-Jun-09
Water Supply, Sanitation & Urban Reconstruction	110.0	8-Dec-04	31-Aug-07	31-Jul-09
Baghdad Water Supply	65.0	4-Dec-04	31-Aug-07	31-Jul-09
Second Capacity Building Project	7.0	9-Nov-04	30-Nov-06	31-Aug-09
Disabilities	19.5	23-Nov-05	30-Sep-07	30-Sep-09
Household Survey & Policies for Poverty Reduction	5.1	24-Jul-06	30-Sep-07	30-Sep-09
Household Survey & Policies (Technical Assistance)	1.5	3-May-06	30-Sep-07	30-Sep-09
Health Rehabilitation	25.0	4-Dec-04	31-Dec-06	28-Feb-10
Social Protection	8.0	6-Jun-06	30-Sep-07	28-Feb-10
Environmental Management	5.0	6-Nov-06	30-Sep-07	31-Aug-10
Electricity Reconstruction	0.0	4-Apr-07	30-Sep-07	30-Sep-10
<u>Closed Projects</u>				
Capacity Building I	2.5	16-Jan-04	15-Jul-04	31-Aug-04
Textbook Provision	40.0	15-May-04	31-Dec-05	31-Dec-06

E. WORLD BANK PRESENCE IN IRAQ

20. The World Bank has had a continuous presence in Iraq since mid-2004, employing about six professional-level Iraqis who reside and work in the “Red Zone” in Baghdad to provide project implementation support. In addition, the UK’s DfID facilitated an expatriate consultant based in the International Zone to serve as a liaison for the World Bank with the Government and donors. His role was expanded to that of Country Manager for Iraq in mid-2007, to strengthen overall policy dialogue and donor coordination. The Country Manager is supported by a Public Sector Specialist, also located in the International Zone, given the World Bank’s increased emphasis on public sector governance reform. Additional staff are being recruited to provide administrative and program support to the Baghdad office and to the IRFFI Secretariat. Outside of the International Zone, to provide additional support for project implementation, the World Bank recently hired an Iraqi procurement specialist, who is located in Erbil. Iraqi staff in the “Red Zone” supports the implementation of World Bank projects by working out of their homes and the implementing agencies. The Iraqi staff generally does not enter the International Zone due to the high security risk.

21. The venue for World Bank meetings and workshops depends on security, cost, logistics, and the preference of Iraqi counterparts. Focused meetings (half a day or less) to discuss policy

issues with high-level officials can take place in Baghdad's International Zone. Both Iraqi and World Bank project teams report that meetings with teams of 3 or more requiring intensive technical discussions over several days, as is the case for most project supervision and appraisal missions, cannot feasibly take place in Baghdad at this time. The World Bank has held numerous workshops in Erbil, and is exploring ways to lower security costs to enable more meetings in the Kurdistan Region. Overall, the World Bank has held at least 17 workshops/meetings in Iraq in 2007, covering diverse topics of procurement reform, PEIA workshops, decentralized public finance management, and filing and record-keeping.

ANNEX 1: STATUS OF PROJECTS UNDER IMPLEMENTATION

IRAQ TRUST FUND
STATUS OF PROJECTS UNDER IMPLEMENTATION
October 2007

Project Information	Description	Status
EMERGENCY SCHOOL CONSTRUCTION & REHABILITATION PROJECT		
<p><i>Amount:</i> US\$60 m. <i>Coverage:</i> Nationwide <i>Signed:</i> Oct-04 <i>Closing:</i> Jun-09</p>	<p>Aims to improve learning conditions in primary and secondary schools through the construction of 56 new schools and major rehabilitation of 133 schools. The project will benefit over 100,000 families with child attending unsafe or overcrowded schools and will create thousands of jobs through use of Iraqi construction firms</p>	<p>Major rehabilitation of 133 schools is complete benefiting 45,000 students, and creating about 3,000 construction jobs. Construction of 30 new schools is underway and the construction of the remaining 26 schools is expected to start between January and March 2008.</p>
<p><i>Implementing Agency:</i> Ministry of Education <i>Contracted:</i> US\$36.9 m. <i>Disbursed:</i> US\$14.1 m.</p>		
SECOND CAPACITY BUILDING PROJECT		
<p><i>Amount:</i> US\$7 m. <i>Coverage:</i> n/a <i>Signed:</i> Nov-04 <i>Closing:</i> Sep-09</p>	<p>The project follows up on the First Capacity Building project to help the authorities tackle medium-term policies, focusing on economic management, public sector management, and social safety nets.</p>	<p>The project has financed about 52 workshops, training about 1,000 participants. Participant evaluations confirm the value of the workshops in providing a venue to discuss key policy issues and develop specific skills. The remaining funds will be directed at enhancing public financial management in line with the International Compact for Iraq.</p>
<p><i>Implementing Agency:</i> World Bank <i>Contracted:</i> US\$4.2 m. <i>Disbursed:</i> US\$4.2 m.</p>		
EMERGENCY HEALTH & REHABILITATION PROJECT		
<p><i>Amount:</i> US\$25 m. <i>Coverage:</i> Baghdad, Kirkuk, Missan, Karbala, Salah Deen, Erbil, Sulaimanyiah) <i>Signed:</i> Nov-04 <i>Closing:</i> Feb-10</p>	<p>Improve access to quality emergency services in 9 selected hospitals (down from original 12), and provides 12 hospitals with basic medical and laboratory equipment and essential drugs.</p>	<p>Rehabilitation works in 7 out of the 9 hospitals have commenced. Four of the seven have been completed with two of them formally handed over by the contractors to the respective health directorates. The remaining three of the seven hospitals are still under rehabilitation with estimated completion dates by March 2008. Design works for the remaining two hospitals have commenced with rehabilitation works expected to commence by January 2008.</p>
<p><i>Implementing Agency:</i> Ministry of Health <i>Contracted:</i> US\$14.5 m. <i>Disbursed:</i> US\$7.4 m.</p>		

Project Information	Description	Status
EMERGENCY PRIVATE SECTOR DEVELOPMENT PROJECT		
<p>Amount: US\$55 m. Coverage: Nationwide (PSD) & North, South, West, Baghdad (Communications) Signed: Nov-04 Closing: Jun-09</p>	<p>Lay the foundation for increasing investment and economic growth by addressing selected priorities in institutional capacity building and essential communications infrastructure (through the installation of a high-capacity national telecommunications network) to help foster the development of the private and financial sectors.</p>	<p>The US\$40 million contract for the supply and installation of a high-capacity national telecommunications network was signed on June 23, 2006. Contracts have recently been awarded for the public institution and competitiveness components, as well as the payments system infrastructure. About 95% of the project in value terms is now committed.</p>
<p>Implementing Agency: MOPDC / Iraqi Telecoms & Post Contracted: US\$39 m. Disbursed: US\$4.4 m.</p>		
EMERGENCY BAGHDAD WATER & SANITATION PROJECT		
<p>Amount: US\$65 m. Coverage: Baghdad Signed: Dec-04 Closing: Jul-09</p>	<p>Assist in restoring basic water supply and sanitation services for Baghdad through: (a) the reconstruction and rehabilitation of existing priority networks and treatment facilities; and (b) providing capacity building support.</p>	<p>Project implementation continues to move at a slow pace. Other than direct contracts for supply of pumps, valves and spare parts (US\$6.3m), MOB has not been able to award a single works contract during the last two and a half years since the Grant became effective. It is unlikely the project will reach its development objective before closing and the Bank is considering restructuring the project.</p>
<p>Implementing Agency: Mayoralty of Baghdad Contracted: US\$8.4 m. Disbursed: US\$7.5 m.</p>		
EMERGENCY WATER SUPPLY & SANITATION & URBAN DEVELOPMENT PROJECT		
<p>Amount: US\$110 m. Coverage: Kerbala, Majar, Beji, Kena'an, Dohuk, Al Hussaina, Al-Samawa, Dukan Signed: Dec-04 Closing: Jul-09</p>	<p>Finances high-impact water supply and sanitation rehabilitation in 9 cities and urban reconstruction in the poorest areas of 3 cities, benefiting over 2 million people. It also provides capacity building support through training and technical assistance. The project will create substantial employment - estimated at a minimum of 3,000 jobs.</p>	<p>The project continues to experience implementation delays. However contracting, disbursement and overall project quality is good. The ministry is preparing a comprehensive National Water Supply and Wastewater Sector Study to guide future development in the sector and indicate required funding.</p>
<p>Implementing Agency: Ministry of Municipalities Contracted: US\$71 m. Disbursed: US\$17.5 m.</p>		
EMERGENCY COMMUNITY INFRASTRUCTURE REHABILITATION PROJECT		
<p>Amount: US\$20 m. Coverage: Al Muthana, Al Amara, Nassariyah, Sulaymaniyah, Rumitha, Najaf, Kerbala, Babel, Waaset, Baghdad, Diyala, Kirkuk & Erbil Signed: Dec-04 Closing: Mar-08</p>	<p>Address emergency needs for rural infrastructure rehabilitation and generate employment. It finances labor-intensive, small-scale civil works programs for 22 subprojects, creating over 240,000 man days of employment, improving over 80,000 hectares of irrigated land, and benefiting over 130,000 farmers.</p>	<p>Eighteen subprojects amounting to US\$15.3 million are completed in nine governorates, creating an estimated 152,000 Man-days of employment, improving 67,000 hectares of irrigated areas, and benefiting more than 100,000 farmers. Four subprojects are expected to be completed by December 2007.</p>
<p>Implementing Agency: Ministry of Water Resources Contracted: US\$19.9 m. Disbursed: US\$15.2 m.</p>		

Project Information	Description	Status
EMERGENCY DISABILITIES PROJECT		
<p>Amount: US\$19.5 m. Coverage: 8 Governorates Signed: Nov-05 Closing: Sep-09</p>	<p>Support the delivery of improved rehabilitation and prosthetic services that reduce the burden of physical disability by (i) supporting the development of a national policy on disabilities; (ii) increase the capacity of Iraqi institutions and other stakeholders to meet the needs of disabled persons; (iii) strengthen the partnerships between the GOI and civil society in provision of services to disabled persons; and (iv) upgrade the infrastructure and equipment of selected rehabilitation and prosthetic centers throughout Iraq.</p>	<p>The designs for 5 of the 8 rehabilitation centers have been completed and one has been tendered. The bid documents for the other 4 sites are about to be finalized. Tendering for the remaining 3 centers is scheduled for December 2007. Civil works for the centers and medical aids and equipment procurement have experienced substantial delays. Ministry officials participated in a study tour to Bosnia to gain experience from a similar successful Bank project. A program to train 35 technicians on prostheses and orthoses is progressing.</p>
<p>Implementing Agency: Ministry of Health Contracted: US\$4 m. Disbursed: US\$1 m.</p>		
EMERGENCY HOUSEHOLD SURVEY & POLICIES GRANT		
<p>Amount: US\$5.1 m. Coverage: Nationwide Signed: Jul-06 Closing: Jun-09</p>	<p>Strengthen Iraq's ability to establish a poverty line, target social assistance to the neediest, and make informed policy decisions. The project finances a comprehensive household survey, data analysis, and poverty & social impact assessments.</p>	<p>More than 16,000 households have been surveyed so far. Analysis of the first 6 months of data has begun. The inter-ministerial GOI team has met to plan their work developing the Strategy for Poverty Reduction, Employment Generation and Safety Nets.</p>
<p>Implementing Agency: Ministry of Planning / KRG Statistics Contracted: US\$2.3 m. Disbursed: US\$2.7 m.</p>		
HOUSEHOLD SURVEY & POLICIES TECHNICAL ASSISTANCE		
<p>Amount: US\$1.5 m. Coverage: Nationwide Signed: May-06 Closing: Jun-09</p>	<p>Provides the technical support needed for Iraq to undertake the companion grant.</p>	<p>Complements the work above.</p>
<p>Implementing Agency: World Bank Contracted: US\$1.1 m. Disbursed: US\$1.1 m.</p>		

Project Information	Description	Status
EMERGENCY SOCIAL PROTECTION PROJECT		
<p>Amount: US\$8 m. Coverage: Nationwide Signed: Jun-06 Closing: Feb-10</p>	<p>Increase the benefits that reach the poor. Strengthen Iraq's capacity to develop equitable and sustainable social safety net and pensions programs to better assist poor and vulnerable populations. The project will finance the implementation of modern management and information systems and reduce leakages. Coverage: Nationwide.</p>	<p>Project management has significantly improved in the past six months, which has had an impact on progress, although it is not reflected in progress on the ground or in disbursements due to procurement delays and the difficult environment in Baghdad. The first procurement for IT Equipment was cancelled because prices were significantly above project appraisal estimates. Three requests for quotations for smaller packages have been tendered locally, using shopping procedures, as an alternative to ICB. Quotations are under evaluation.</p>
<p>Implementing Agency: Ministry of Labor & Social Affairs Contracted: US\$0.1 m. Disbursed: US\$0.2 m.</p>		
EMERGENCY ENVIRONMENT MANAGEMENT PROJECT		
<p>Amount: US\$5 m. Coverage: Nationwide Signed: Jan-07 Closing: Aug-10</p>	<p>Strengthen key institutional and regulatory functions of the Ministry of Environment to enable the Ministry to undertake policy analysis, formulate laws and regulations, monitor environmental quality, promote environmental awareness, and conduct technical studies.</p>	<p>The project launch workshop and a training course on Environmental and Social Screening and Assessment Framework (ESSAF) took place in Amman in March 2007. Tenders to purchase air quality monitoring stations came in substantially over budget but are expected to be signed soon.</p>
<p>Implementing Agency: Ministry of Environment Contracted: US\$0 m. Disbursed: US\$0 m.</p>		
MARSHLAND SCHOOLS CONSTRUCTION PROJECT		
<p>Amount: US\$6 m. Coverage: Basra, Nasiriyah & Missan Signed: Oct-06 Closing: Jun-09</p>	<p>Provides additional funding for the Emergency School Construction and Rehabilitation Project, to finance new school construction of approximately 30 small schools in the marshlands area of Iraq. The project would benefit 6,000 – 8,000 children and help stabilize the resettlement of about 30 communities in existing villages.</p>	<p>Implementation is progressing according to plan. Contracts have been awarded for building 33 schools and construction work is expected to start before the end of the year.</p>
<p>Implementing Agency: Ministry of Education Contracted: US\$1.3 m. Disbursed: US\$0.0 m.</p>		
EMERGENCY ELECTRICITY RECONSTRUCTION PROJECT		
<p>Amount: US\$6 m. Coverage: Hartha Signed: Mar-07 Closing: Jun-11</p>	<p>The project aims to restore the base load generation capacity of the Hartha Power Station and build capacity in the Iraqi ministry of electricity. The project co-finances a US\$124 million IDA credit.</p>	<p>The project is not yet effective. However, consultancy contracting for Environmental and Social Impact Assessment and bid evaluation assistance is going ahead. The selection of a consultant to conduct a feasibility study will go ahead soon.</p>
<p>Implementing Agency: Ministry of Electricity Contracted: US\$0 m. Disbursed: US\$0 m.</p>		