

**PROJECT INFORMATION DOCUMENT (PID)
CONCEPT STAGE**

Report No.: AB2394

Project Name	ESCRP - Additional Financing
Region	MIDDLE EAST AND NORTH AFRICA
Sector	Primary Education (50%), Secondary Education (50%)
Project ID	P100726
Borrower(s)	MINISTRY OF EDUCATION OF IRAQ
Implementing Agency	MINISTRY OF EDUCATION OF IRAQ
Environment Category	<input type="checkbox"/> A <input checked="" type="checkbox"/> B <input type="checkbox"/> C <input type="checkbox"/> FI <input type="checkbox"/> TBD (to be determined)
Safeguard Classification	<input type="checkbox"/> S ₁ <input checked="" type="checkbox"/> S ₂ <input type="checkbox"/> S ₃ <input type="checkbox"/> S _F <input type="checkbox"/> TBD (to be determined)
Date PID Prepared	May 23, 2006
Estimated Date of Appraisal Authorization	July 2006
Estimated Date of Board Approval	August 2006

NOTE: This Project Information Document provides for Additional Financing to the Emergency School Construction and Rehabilitation Project (P087907), which financed school construction and rehabilitation to the value of US\$60 million. That grant agreement was signed in October 2004, and the project is currently under implementation.

1. Country and Sector Background

The education system in Iraq was once considered one of the best in the region. Since the 1980s it has deteriorated seriously in terms of access, quality and equity at all levels as a result of three major wars, over a decade of sanctions and decades of under-funding and official neglect. Massive backlogs in capital development and maintenance, human resource and policy and system development have accumulated and present a major challenge to the reconstruction of the education system.

A survey of the education system in 2003 revealed a serious shortage of adequate school facilities in the marshland areas of Southern Iraq, cutting across governorates of Missan, ThiQar and Basra. The United Nations reported in 2003 that 6 out of 10 marshland villages the team visited did not have a school. A 2005 UNHCR report shows that 21% and 30% of the villages in Basra and ThiQar, respectively, have no schools. Some of the existing schools in the marshlands are built with mud - dirt floors, mud walls, and no windows or electricity, making the classrooms dark and damp. As a result of these poor learning conditions, the marshlands have very low educational achievements. Currently available data shows that the secondary enrollment rate is 20%, which is less than a half of the national average (43%), with an adult literacy rate as low as 5%. Lack of adequate facilities for learning has recently become critical, as a large number of marshland dwellers who fled as internally displaced persons and refugees, particularly those who left to cities where the security situation has recently deteriorated, are returning to their villages. In 2005, UNHCR estimated that there were 188,000 returnees in the governorates of Basra and ThiQar.

Recurrent costs, including teacher salaries, were covered by the Budget for the Ministry of Education (MOE) in 2004, and will be financed from public revenues thereafter. Teacher supply is not a problem in Iraq, although there is a need for teacher upgrading and reform of teacher policy.

2. Rationale for the Bank's Involvement

International experience of education reform and reconstruction in post conflict societies underlines the importance of quick and visible high-impact activities to address the most urgent system needs backed by intensive capacity-building for the education authorities. This is necessary to lay the groundwork for the development of a comprehensive education strategy aligned with the emerging wider development vision of the new political authorities. The successful resumption of schooling in Iraq in September 2003 was an important achievement. However, although the education sector has continued to operate since 2003, the system remains fragile, and recent momentum can only be maintained if the minimum conditions for learning are established in schools, accompanied by a more comprehensive process of capacity-building for wider system reform and modernization. The support for school rehabilitation and construction is being complemented by a range of capacity-building activities in key policy areas such as education reform, education management, teacher policy, curriculum development, TVET and Higher Education supported through other projects.

The need for construction and rehabilitation of schools is substantial. The MOE Situation Analysis, building on the UN/WB Joint Needs Assessment, identified almost US\$700 million in urgent rehabilitation needs over the next three years, and US\$80 million per year in textbook requirements. The construction backlog of over 5,000 schools means that almost 30% of primary and secondary schools in Iraq run double or triple sessions. Of the 12,000 schools requiring repair, over 4,600 require major repair and reconstruction, and around 1,300 need to be demolished and rebuilt. UNICEF rehabilitated about 200 schools in 2003 and 2004; USAID was committed to repair and reconstruction a portion of the US\$87 million allocated from the US\$18.6 billion Supplemental Allocation in 2004. The MOE is looking to the Bank for support in meeting its target of eliminating double sessions and rehabilitating all damaged schools over four years.

The World Bank is well positioned to play a leading role in construction, reconstruction and capacity-building for reform. It has considerable experience in supporting large scale construction and rehabilitation projects in post-conflict settings. The Bank was the lead agency for education in the UNDG/WB Joint Needs Assessment, and has worked closely with UNICEF, UNESCO, USAID and CPA. Through the Third Emergency Education Project, the Bank is working with the MOE and assisting MOE in strengthening governance, and enhancing accountability and transparency.

The Bank is already financing school construction in each of the governorates (Basra, ThiQar, Missan) and has a good working relationship with the governorate-level administrations. By international agreement, education projects in the marshlands were financed through one donor (USAID) from 2003 – 2005. ESCRCP therefore did not initially cover marshland areas. USAID, the only major donor supporting school construction in the marshlands, will not be involved in education in Iraq from July 2006. The Bank is the only other agency involved in financing large scale school construction projects. The MOE has expressed an interest in improving its capacity to interact effectively with school communities and in working with NGOs, and successful implementation of this strategy in the marshland schools component could have a significant demonstration effect on the MOE's approach to site identification, school construction and maintenance.

3. Objectives

The principal objective of ESCRCP is to improve conditions of learning in primary and secondary schools through the construction of new buildings for schools in unsafe or shared structures, and rehabilitation of schools in urgent need of major repair.

The specific objective of the proposed additional financing is to finance construction of approximately 30 small schools in the marshland areas of Basra, Nasiriyah and Missan, to benefit 6,000 – 8,000 children and help stabilize the resettlement of about 30 communities in existing villages.

4. Description

The initial ESCRP had 2 components: Component 1: Construction or rehabilitation of about 250 primary and secondary schools throughout Iraq (estimated cost: US\$58.55 million), and Component 2: Project Management and Capacity Building (estimated cost: US\$1.45 million)

This Additional Financing will add two new Components, and additional financing for Project Management and Capacity Building.

Component 1 (estimated cost US\$4.1 million): Construction of approximately 30 new school buildings with priority on communities with no school buildings. The schools will be equipped with water and sanitation facilities, furniture, equipment, and administration offices.

Component 2 (estimated cost US\$0.5 million): Capacity building for local stakeholders' involvement in planning and maintenance in the target schools. The proposed component will involve NGOs to mobilize communities for site selection and supervision. Civil society participation will help strengthen MOE's capacity to increase transparency and accountability in the long term.

Component 3 (estimated cost US\$0.4 million): The proposed component will be implemented by MOE's existing Project Management Team (PMT), supported by a local implementation team to be comprised of representatives from the three governorates. The PMT will hire consultants to assist in supervision.

5. Tentative financing

Source:	(\$m.)
RECIPIENT (in kind contribution)	0.00
SPECIAL FINANCING (TRUST FUND GRANT)	5.00
Total	5.00

6. Safeguard Policies (including public consultation)

Safeguard Policies Triggered by the Project	Yes	No
Environmental Assessment (OP/BP/GP 4.01)	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Natural Habitats (OP/BP 4.04)	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Pest Management (OP 4.09)	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Cultural Property (OPN 11.03 , being revised as OP 4.11)	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Involuntary Resettlement (OP/BP 4.12)	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Indigenous Peoples (OD 4.20 , being revised as OP 4.10)	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Forests (OP/BP 4.36)	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Safety of Dams (OP/BP 4.37)	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Projects in Disputed Areas (OP/BP/GP 7.60)*	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Projects on International Waterways (OP/BP/GP 7.50)	<input type="checkbox"/>	<input checked="" type="checkbox"/>

* By supporting the proposed project, the Bank does not intend to prejudice the final determination of the parties' claims on the disputed areas

Environmental Assessment (OP/BP 4.01): The additional financing is considered not to change the environmental category “B” of the project. The Environmental and Social Screening and Assessment Framework (ESSAF) for the ongoing project was disclosed in the country on April 26, 2004; it spells out the mitigation measures for environmental impacts, such as: use of checklists, Codes of Practice, inclusion of technical specifications of contract, and certification for new school construction to verify that sites identified by the MOE are vacant and do not require population resettlement. Supervision of the implementation of the mitigation measures through the focal points and the monitoring agents is ongoing and will be strengthened. Special attention will be given to the construction of sewage systems and water supply for the new schools. Under the proposed component, schools will not be constructed in any area which is designated for wetland rehabilitation or restoration.

Indigenous Peoples Safeguard Policy (OP4.20): In terms of the revised ESSAF signed by the Managing Director, the policy would not be triggered. However, because of the sensitive nature and history of the project location, it was agreed that close attention to social impacts in preparation and implementation would be prudent. This would best be achieved by a consultation process with affected populations, probably through contracting an NGO. A full social analysis was not viable or commensurate with the risks associated with the project, but due diligence indicated that a brief stakeholder analysis from secondary sources could inform the TORs for any such consultation.

Involuntary Resettlement (OP/BP 4.12): Under the proposed project, schools will be constructed on sites where no resettlement is required. The team will obtain written assurance from the Government on this matter. NGOs and communities’ involvement in site selection and supervision will help ensure this matter.

It is expected that new construction will be limited only to vacant sites that are on public property assigned by the relevant authorities for the use of MOE. Selection of any new sites will require filing by the MOE-PMT documentary evidence, that (a) the site is on public land that has been assigned for sole use by the MOE, and (b) the site is vacant and has no persons residing either legally or illegally. Since no land acquisition was anticipated, it was agreed the existing mechanisms in the project extended to this additional financing were sufficient. Should there be need for land acquisition for school building constructions, such acquisition will be done in consultation with MNA safeguard specialists.

Cultural Property (OPN 11.03): It was agreed that special attention would be paid to any impact on sites of any potential archaeological significance and that the chance find procedures included in ESSAF would be applied.

7. Implementation

Project Management. The MOE will have overall responsibility for the coordination and execution of all project activities. A team of senior MOE staff and consultants constitutes the Project Management Team (PMT). This PMT also has responsibility for the concurrent US\$40 million Emergency Textbook Provision Project (ETPP), the US\$60 million Emergency School Construction and Rehabilitation Project (ESCRP) and the US\$100 million Third Emergency Education Project (TEEP). The staff of the PMT has received special training and orientation in key aspects of project management. The PMT is responsible for planning and coordination of all project activities, financial management (accounting and disbursements), procurement of works, goods and consulting services (and related contract management), and monitoring and evaluation to ensure timely implementation and coordination of all project activities. Site identification, procurement of local civil works, and project supervision are the responsibility of MOE engineers (project focal points) in each governorate, operating under the supervision of the PMT.

Local Stakeholder Involvement. Local stakeholders that may be involved include: local communities (identification of school sites, review of school designs, monitoring of construction and maintenance of school buildings), local authorities (local government, tribal leaders and local education officials), and NGOs (contracted to mobilize communities and build capacity for community involvement and community monitoring).

Procurement

Procurement of Works: The procurement of school construction and rehabilitation will be done through 1) National Competitive Bidding (NCB) using a Standard Bidding Document (SBD) satisfactory to the Bank, 2) using shopping and documentation acceptable to the Bank, 3) acceptable procedures to the Bank in procurement involving the local NGOs in the marshlands, and 4) direct contracting on an exceptional case with the Bank prior clearance..

Procurement of Goods: Goods procured under this project may include: vehicles, office furniture, equipment and supplies needed for the project implementation. It may also include furniture for schools and building materials for projects in the marshlands. The procurement will be done through ICB, or NCB using a SBD satisfactory to the Bank. Shopping will also be used.

Selection of Consultants: Consultants' services procured under this project may include: selection of a procurement consulting firm to provide training and support to the PMT in procurement related issues including training of the MOE in procurement; physical spot inspections; selection of individual consultants and/or firms to provide training and capacity building in financial management; and selection of consultants to provide engineering services such as design, preparation of bidding documents, and supervision of school construction. Shortlists of consultants for services estimated to cost less than US\$100,000 equivalent per contract may be composed entirely of national consultants in accordance with the provisions of paragraph 2.7 of the Consultant Guidelines.

Operating Costs: The Grant will also finance operating costs, which may include (i) the maintenance of office equipment; (ii) transportation and travel, including per diem allowances for Project staff in travel status; (iii) rental of office space; (iv) office supplies, utilities and office administration, including translation, printing and advertising; (v) fuel costs; (vi) communication costs; (vii) commercial bank charges; and (ix) any other Project management support costs as agreed by the MOE and the Bank, but excluding salaries of the MOE civil servants. Because of the high risk environment and the institutional capacity limitations, the grant will finance technical assistance and training in project management, procurement, and financial management, as well as audit costs.

A General Procurement Notice (GPN) was published in DgMarket on March 24, 2004 (revised on April 24, 2004), and in UN Development Business on March 26, 2004 (revised on April 27, 2004). An updated GPN will be published at grant negotiations.

Disbursement. The additional grant will follow the same disbursement methods that are used for the other ITF-financed projects: disbursements for eligible expenditures over US\$10,000 will be made directly by the Bank to contractors, suppliers and consultants. Eligible expenditures under US\$10,000 will be paid by the MOE from its own resources which will then be reimbursed by the Bank.

Coordination with other donors will build on the collaboration already under way, through the Education Sector Working Group which has already reviewed this additional financing proposal. The Bank remains in close and regular contact with the UN Coordinator for the Education and Culture Cluster, and has

established contact with all donors and NGOs currently engaged in education projects in the marshland areas.

8. Sustainability

The project mainly finances building of new primary and secondary schools. School construction is a one-time investment to address accumulated backlogs. The project includes provision for financing equipment and furniture for all new schools. Increase in the recurrent cost will not be significant, because the number of schools is small and MOE will deploy teachers from schools with surplus teachers within the provinces. Maintenance of buildings and equipment of the project schools will be covered by the MOE recurrent budget. Future maintenance costs of the project schools will be a very small share of the overall MOE operational budget and budget projections show that they do not constitute a sustainability problem.

9. Lessons learned from past operations in the country/sector

The ETPP and ESCRCP have shown that emergency education projects with simple designs can be implemented under the current circumstances. The MOE has demonstrated its capacity to satisfactorily implement emergency operations. Also, the Bank is able to carry out project supervision, despite the current limitations on access of international staff to Iraq. The Bank has relied heavily on a cadre of excellent local consultants in Iraq for daily supervision and monitoring, and has met project counterparts outside Iraq on a quarterly basis for intensive supervision missions. Well-designed project launch workshops have also proven to be highly effective in facilitating implementation. For example, two ESCRCP project implementation workshops gathered MOE engineers implementing the project from all governorates and helped build MOE staff capacities in the areas of procurement, financial management, disbursement, and monitoring.

Implementing projects through Iraqi ministries has numerous benefits, including greater ownership and sustainability and negligible security costs. Under the ESCRCP, the unit costs for school rehabilitation have been 30 to 40 percent below comparable projects implemented by donor agencies. Most importantly, recipient-execution strengthens overall institutional capacity. Under the ETPP, the MOE used, for the first time, competitive bidding procedures that meet international standards. Recognizing the cost savings achieved, the MOE is now applying these procedures to textbooks financed from their own budget. Under the ESCRCP, the MOE is using Iraqi private sector building contractors and design and supervision services from private consultants, an innovation that results in more efficient use of MOE technical resources, strengthens the capacity of the MOE in every governorate, and fosters the growth of the private sector. Similarly, new procedures for transparent financial management and reporting are setting examples for ministry practices. The Bank's investment projects thus have a wider impact on overall policy and institutional capacity.

The ETPP and ESCRCP have also shown the value of linking policy reform to practical activities. For example, the ETPP complements provision of textbooks with a component to build capacity for textbook development and production according to international best practice and linked to curriculum reform.

Finally, ETPP and ESCRCP show that given the difficult security situation in Iraq, implementation schedules should be kept as flexible as possible as activities get frequently delayed and it is unrealistic to expect strict compliance with schedules.

10. Contact:

Peter Buckland
Senior Education Specialist
Tel: (202) 458-4383
Fax: (202) 614-0192
Email: Pbuckland@worldbank.org

11. For more information contact:

The InfoShop
The World Bank
1818 H Street, NW
Washington, D.C. 20433
Telephone: (202) 458-5454
Fax: (202) 522-1500
Web: <http://www.worldbank.org/infoshop>