

**International Development Association
Third Emergency Education Project (C41280/P096234)
October 2011**

Project Summary Sheet

Title	Third Emergency Education Project				
Implementing Agency	Ministry of Education (MOE)				
Location	Al Anbar, Babil, Baghdad, Al Basrah, Dhi Qar, Diyala, Karbala, Maysan, Al Muthanna, Al Najaf, Ninawa, Al Qadisiyah, Salah Ad Din, Al Ta'Mim, Wasit				
Sector code (OECD DAC)	<i>11110</i>	Education policy and administrative management			
	<i>11120</i>	Education facilities and training			
Compact Priority	<i>4.4.1.1</i>	Design and carry out specific policy reforms and investments towards achieving the Millennium Development Goals			
	<i>4.4.1.2.1</i>	Undertake specific measures to promote continuous education for competitive skills and equal opportunities in the labor market			
	<i>4.4.1.3.1</i>	Achieve universal access to basic education			
Project Cost	SDR69.1 million (approximately US\$100 million at time of approval)				
Duration	68 months				
Approval Date	November 2005	Effective Date	October 2007	Closing Date	June 2013
Project Description	The Project aims to assist the MOE in its efforts to alleviate overcrowding in both primary and secondary schools through the design of prototype schools, construction of new schools, and to strengthen the planning and management capacity of the MOE and the Directorates of Education (DOEs) in school construction and maintenance. The Project will also help the MOE improve the quality of education through capacity building for in-service teacher training and curriculum improvement.				
Beneficiaries	The Project will directly benefit approximately 33,600 primary and secondary students.				
Near Term Employment Creation	Local contractors will carry out construction works – an estimated 1,047,000 days of labor. Consulting services (design and supervision) are estimated to generate approximately 60,400 days of work. Indirect labor will increase where building materials are purchased from local manufacturing firms.				

Strategic Context and Donor Coordination

Several international agencies have supported education in Iraq since May 2003, with the US as the major bilateral partner. Donor support in education has included a wide range of activities mostly designed to facilitate the early resumption of schooling. Bilateral support has largely been channeled through the two IRFFI Iraq Trust Funds (ITF), with major supporters of education being EC, Japan, UK and Canada. UNDG ITF projects amounting to US\$80 million have covered a wide range of aspects of education, including rehabilitation of schools, and provision of supplies, equipment and capacity building. World Bank ITF financed projects, with a value of US\$106 million, have focused on emergency textbook printing for 2004/5, school rehabilitation and construction, and capacity building.

Project Development Objective

Assist the MOE to reduce school overcrowding and strengthen its capacity to improve quality of teaching and curricula

Outputs, Key Activities and Procurement

Outputs	<ul style="list-style-type: none"> • 48 schools constructed • Manual for school design developed • School mapping system operational
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	<ul style="list-style-type: none"> • Customized training program for Curricula Developers completed, and curricula developers trained • Customized training materials for teacher training developed • 6,000 newly recruited teachers trained
Activities	<ul style="list-style-type: none"> • School construction • Teacher training • Technical assistance and capacity building activities
Procurement ^{1/}	Civil Works: US\$76.5 million Goods: US\$13.6 million Consultants' Services: US\$ 7.6 million Training: US\$ 1.5 million Operating Costs: US\$ 1.3 million Unallocated: US\$ 4.5 million

^{1/} The total estimated costs in US\$ are based on the current SDR/US\$ exchange rate of SDR1 = US\$1.52 as of May 19, 2009. Hence, the total World Bank financing is estimated at US\$105 million instead of US\$100 million at the time of negotiations in 2005.

Financial Data

Funds Committed	US\$31.5 million	% approved	32
Funds Disbursed	US\$3.0 million	% approved	3
Forecast Closing Date	June 2013	Delay (months)	19

Progress against indicators

Reduction in the number of schools with multiple shifts	Not yet measurable	% of planned	N/A
% of the 60,000 recently recruited teachers that have received satisfactory training delivered by the trainers prepared by the project	Not yet measurable		N/A
Curricula developers successfully produce selected curricula elements, using modern approaches, at the end of training	Not yet measurable		N/A

Qualitative Assessment of Project Performance

Under the leadership of H.E. the Minister of Education, the MOE has reflected a strong commitment to fulfill the actions necessary to meet the project development objective. This is evident in the decision of the Minister to chair the Project Steering Committee and to closely monitor project progress, as well as his willingness to take critical decisions that have already facilitated or will facilitate the implementation.

Recent months have witnessed considerable progress in school construction activities, especially after resolving the land issues. Most of the milestones reflected in the May 2011 Mission Aide Memoire have been achieved.

To date, the status of contracts to build 48 schools is as follows: (i) 24 schools have been awarded, of which 12 are already under construction with an average physical progress of 34 percent and a disbursement rate of 13 percent; the remaining 12 schools will start construction in late November 2011; (ii) the contracts for 24 schools are expected to be awarded by February 2012). In addition, the Expression of Interest (EOI) for the Capacity Building for Teacher Training was re-advertised in early October 2011, and the short-list for the selection process for the Capacity Building for Curriculum Development was cleared by the World Bank during the October 2011 mission.

Because the project continues to reflect slow implementation progress and low disbursement (3 percent), the mission prepared and agreed on an action plan to accelerate the disbursement rate. In addition, the mission agreed that the project should be restructured to focus on key activities and to revise the project Results Framework and implementation arrangements, which will help improve both implementation and disbursements.

Major Implementation Obstacles

Main implementation obstacles include (i) security; (ii) weak institutions and poor implementation capacity (especially with regard to the supervision of works and contract management); and (iii) delays in the payment process. The World Bank continues to provide intensive implementation support to reinforce the PMT's technical capacity. The recent decision of the MOE to assign the supervision of civil works and management of contracts to the State Commission for Buildings is expected to improve implementation progress (a Memorandum of Understanding between the MOE and the MOHC is currently being drafted). Regarding the issue of delays in the payment process, the PMT is currently revising payment procedures to expedite payments to contractors and consultants. It is noteworthy to mention that the MOE remains very committed to the project and recently recruited an experienced Procurement Officer (who previously worked for the MOE/PMT) to reinforce the procurement team's capacity. This is a major improvement as the recruitment of an experienced procurement officer was crucially needed and had been pending for many months.

International Development Association
Emergency Road Rehabilitation Project (C42120/P087735)
October 2011

Project Summary Sheet

Title	Emergency Road Rehabilitation Project				
Implementing Agency	Ministry of Construction and Housing (State Commission for Roads and Bridges (SCRB), Ministry of Construction and Housing) Kurdistan Regional Government – General Directorate for Roads and Bridges ((KRG-GDRB), Ministry of Construction and Housing)				
Location	15 Central and Southern Governorates (5 components) in central and southern Iraq (<i>Al Anbar, Babil, Baghdad, Al Basrah, Dhi Qar, Diyala, Karbala, Maysan Al Muthanna, An Najaf, Ninawa, Al Qadisiyah, Salah Ad Din, At Ta’Mim, Wasit</i>) 3 Northern Governorates (4 components) in Kurdistan (<i>Arbil, Dahuk, As Sulaymaniyah</i>)				
Sector code (OECD DAC)	21020 Road transport				
Compact Priority	4.4.1.1 Emergency operation to improve condition of road assets and restore services				
Project Cost	SDR93.2 million (approximately US\$135 million at time of approval)				
Duration	56 months				
Approval Date	June 2006	Effective Date	October 2007	Closing Date	June 2012
Project Description	The Project aims to help improve the condition of the road network by rehabilitating highly damaged segments of the country’s highway and rural road networks, reestablishing critical river crossings, and restoring the capacity to manage and maintain the road network.				
Beneficiaries	Beneficiaries include individuals traveling in personal vehicles and passengers of public and private bus transport, as well as commercial freight transport which plays a vital part in Iraq’s economy. A survey done in 2004 showed that some 15 million passengers traveled between Governorates, including to the religious centers of Karbala and Najaf during holy festivities. Road rehabilitation will also improve road safety, which is in a deplorable state at present.				
Near Term Employment Creation	A considerable number of jobs will be created during road works by local contractors; the number of jobs will be reported once all contracts are awarded.				

Strategic Context and Donor Coordination

The rehabilitation of Iraq’s highway and rural road infrastructure has not been addressed due to the huge financing gap in the sector and the limited donor involvement. As a result, there is need for substantial financing to address road transport bottlenecks and other inefficiencies in the sector. The World Bank has the resources and experience to support new road sector operations, and to complement investments financed through the national budget. The World Bank is also in a position to share international best practices based on its considerable experience with transport infrastructure projects and institution building in conflict-affected areas.

Project Development Objective

- Improve critical transport infrastructure
- Increase transport network management capacity

Outputs, Key Activities and Procurement

Outputs	<ul style="list-style-type: none"> • Major roads, village roads, and bridges rehabilitated
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	<ul style="list-style-type: none"> Increased capacity at Ministry of Housing and Construction to manage road networks 										
Activities	<ul style="list-style-type: none"> Rehabilitation works Technical assistance and capacity building activities 										
Procurement ^{1/}	<table> <tr> <td>Works:</td> <td>US\$123.5 million</td> </tr> <tr> <td>Goods:</td> <td>US\$ 1.9 million</td> </tr> <tr> <td>Consultant Services:</td> <td>US\$ 9.0 million</td> </tr> <tr> <td>Incremental Operating Costs:</td> <td>US\$ 0.5 million</td> </tr> <tr> <td>Unallocated:</td> <td>US\$ 8.4 million</td> </tr> </table>	Works:	US\$123.5 million	Goods:	US\$ 1.9 million	Consultant Services:	US\$ 9.0 million	Incremental Operating Costs:	US\$ 0.5 million	Unallocated:	US\$ 8.4 million
Works:	US\$123.5 million										
Goods:	US\$ 1.9 million										
Consultant Services:	US\$ 9.0 million										
Incremental Operating Costs:	US\$ 0.5 million										
Unallocated:	US\$ 8.4 million										

^{1/} The total estimated costs in US\$ are based on the current SDR/US\$ exchange rate of SDR1 = US\$1.54 as of February 16, 2010, the date the restructuring/reallocation was approved by RVP. Hence, the total World Bank financing is estimated at US\$143.3 million instead of US\$135 million at the time of negotiations in 2006.

Financial Data

Funds Committed	US\$127.1 million	% approved	94
Funds Disbursed	US\$74.5 million	% approved	55
Forecast Closing Date	June 2012	Delay (months)	8

Progress against indicators

Improved capacity both at SCRB and KRG-GDRB measured by the development of road asset management tools and their effective use.	Not yet measurable	% of planned	
Percentage of population in targeted villages with access to an all-weather road	151,440		
Average reduction on time required to reach markets / services (first results from Kurdistan Village Access Roads)	40%		

Qualitative Assessment of Project Performance

Overall, the Project is progressing satisfactorily and will likely meet its objectives. For the components in the Central and Southern Governorates, the following are the latest achievements: (i) about 74 km of main roads are completed and commissioned; (ii) about 139 km are under implementation; (iv) the Um Qasr-Al-Zubair dual carriageway rehabilitation Project now under implementation.; (v) two village access roads are completed for a total of 40 km; and (vi) three of the four bridges are either open to traffic or close to completion with the forth lagging behind implementation schedule

For components in the Northern Governorates, the new carriageway from Erbil to Altun Kopri is now open to traffic (78 km in total has been widened and rehabilitated). All village access road rehabilitation contracts totaling 81.5 km were completed in November 2009. For technical assistance for Part B of the Project, GDRB is negotiating with Dar Al-Handasah consulting firm to include specific tasks to the existing contract that would improve the GDRB's capacity in planning and maintaining the road network.

About 68,000 person-days of employment have been generated and close to 300 villages and communities will have access to these all weather roads.

Two major Technical Assistance activities are currently being launched. The first is for the Road Asset Management while the second is the Transport Sector Master Plan which has been recently requested from the GOI of senior World Bank management.

Major Implementation Obstacles

The main issues continue to include the unstable security situation in some areas of the country, the need to increase PMT capacity in Baghdad, the limited capacity of the construction industry, and the lack of qualified consulting firms for works supervision and for provision of overall technical assistance activities. The World Bank has taken measures to ensure adequate project implementation support, especially with regard to procurement, physical verification and fiduciary aspects. The GOI represented by MOCH has now much improved committed to the project objectives extended from the Minister himself and his senior deputy to the director general of SCRB. All three of them are now following up in person on issues of concern.

International Development Association
Dokan and Derbandikhan Emergency Hydropower Project (C42490/P099059)
October 2011

Project Summary Sheet

Title	Dokan and Derbandikhan Emergency Hydropower Project				
Implementing Agency	Ministry of Electricity (MOEL) of the KRG				
Location	Arbil, Dahuk, As Sulaymaniyah				
Sector code (OECD DAC)	23065 Hydro-electric power plants				
Compact Priority	4.4.1 Delivering basic services 4.5 Energy (Oil, Gas and Electricity)				
Project Cost	SDR26.9 million (approximately US\$40 million at time of approval)				
Duration	38 months				
Approval Date	December 2006	Effective Date	October 2007	Closing Date	September 2012
Project Description	The Project aims to: (i) alleviate the power supply shortfall in the Kurdistan Region through urgent repair work of the Dokan and Derbandikhan hydropower plants; (ii) strengthen the capacity of the local operational staff; and (iii) prepare the rehabilitation of the two plants to restore their original capacity of 400 and 249 MW, respectively.				
Beneficiaries	Inhabitants of the Kurdistan Region (about 490,000 households) will benefit from increased reliability and capacity of power supply. Ultimately, the rehabilitation of the two hydropower plants will benefit the entire country because they feed into the national grid and will strengthen its performance.				
Near Term Employment Creation	Employment creation is not an objective of the Project. The majority of the works will be carried out by international firms, though there may be some small-scale local subcontracting.				

Strategic Context and Donor Coordination

The Project will finance urgent repairs at the Dokan and Derbandikhan hydropower plants and prepare for the subsequent rehabilitation of these plants. Despite the relatively large amounts of financing for infrastructure from bilateral donors, there remains a significant financing gap for electricity rehabilitation and development in Iraq. The World Bank is in a position to share international experiences and best practices based on its considerable international experience with infrastructure reconstruction projects and institutional building in conflict-affected areas (including Bosnia-Herzegovina, Ethiopia, West Bank and Gaza, and Afghanistan).

Project Development Objective

- Provide reliable power supply to the Kurdistan Region
- Prepare for the reconnection to the national grid for increased power supply nationwide

Outputs, Key Activities and Procurement

Outputs	<ul style="list-style-type: none"> • Dokan and Derbandikhan power stations functioning • Comprehensive rehabilitation plan prepared
Activities	<ul style="list-style-type: none"> • Repairs of Dokan and Derbandikhan power stations • Assessment of Rehabilitation Needs • Environmental Assessment • Dam safety and engineering

Procurement	Works:	US\$30.2million
	Goods:	US\$ 0.2 million
	Consultant Services and Training:	US\$ 5.3 million
	Incremental Operating Costs:	US\$ 0.3 million
	Unallocated:	US\$ 4.0 million

Financial Data

Funds Committed	US\$29.8 million	% approved	75
Funds Disbursed	US\$19.3 million	% approved	48
Forecast Closing Date	September 2012	Delay (months)	5

Progress against indicators

Power production capacity increased at Dokan	Owner's Engineer contracted. All Contracts awarded and works underway	% of planned	85
Power production capacity increased at Derbandikhan	Owner's Engineer contracted. Almost all Contracts awarded and works underway		75
Operational problems, in particular cavitation, resolved at Derbandikhan	Rehabilitation reports provided outlining further rehabilitation requirements.		100

Qualitative Assessment of Project Performance

The Project continues to progress within budget and the revised completion date of September 2012. All contracts have been finalized, apart from one, for rehabilitation of Derbandikhan switchyard. The Contract with Iranian Company for this work has been cancelled due to a force majeure event. A new bid round was launched for this contract on September 15, 2011. New proposals will be opened on November 24, 2011. The PMT envisages a request for extension to the Project Closing Date, from September 2012 up to June 2013 to allow completion of this work. It also appears that some additional spare parts and equipment to existing contracted works will be needed, and the PMT and World Bank are working closely to complete these required actions.

Major Implementation Obstacles

Institutional capacity issues within the PMT initially impeded project implementation. However, progress was made as the PMT gained capacity through training in World Bank procurement and financial management guidelines and procedures, as well as the provision of the necessary consultant's services. The World Bank now receives consolidated progress reporting on a quarterly basis incorporating Financial Management Reports (FMRs), reports on physical progress, and updated procurement and disbursement schedules.

International Development Association
Emergency Electricity Reconstruction Project (C42890/P087734)
October 2011

Project Summary Sheet

Title	Emergency Electricity Reconstruction Project				
Implementing Agency	Ministry of Electricity (MOEI)				
Location	Al Basrah				
Sector code (OECD DAC)	23020 Power generation / non-renewable sources				
Compact Priority	4.4.1 Delivering basic services 4.5 Energy (Oil, Gas and Electricity)				
Project Cost	SDR82.5 million (approximately US\$124 million at time of approval)				
Duration	42 months				
Approval Date	March 2007	Effective Date	December 2007	Closing Date	June 2014
Project Description	The Project aims to: (i) alleviate the power supply shortfall by restoring the base load generation capacity of the Hartha Power Plant Units 2 and 3 to 400 MW; and (ii) strengthen in-house capacity for improved power system planning and fuel supply in Iraq.				
Beneficiaries	The Project expects to provide electricity to approximately 1 million households and grid-connected industrial consumers for a period of 20 years.				
Near Term Employment Creation	Employment creation is not an objective of the Project. The majority of the works will be carried out by international firms, although there may be some small-scale local subcontracting.				

Strategic Context and Donor Coordination

The 2003 Joint Needs Assessment estimated Iraq's electricity reconstruction needs at US\$35.8 billion. The US, Japan, UK, and UNDP have pledged substantial contributions. The electricity sector is a priority sector of Iraq's National Development Strategy and the International Compact with Iraq, which includes elements of MOEI's Master Plan for 2006-2015.

Project Development Objective

- Alleviate power supply shortfall in the Basra region
- Improve national power supply management

Outputs, Key Activities and Procurement

Outputs	<ul style="list-style-type: none"> • Units 2 and 3 of Hartha power plant restored • Increased capacity to manage power sector 										
Activities	<ul style="list-style-type: none"> • Rehabilitation works at Hartha power plant • Technical assistance and capacity building activities 										
Procurement	<table style="width: 100%; border: none;"> <tr> <td style="width: 50%;">Works:</td> <td>US\$110.9 million</td> </tr> <tr> <td>Goods:</td> <td>US\$ 4.0 million</td> </tr> <tr> <td>Consultant Services and Training:</td> <td>US\$ 5.0 million</td> </tr> <tr> <td>Incremental Operating Costs:</td> <td>US\$ 0.1 million</td> </tr> <tr> <td>Unallocated:</td> <td>US\$ 4.0 million</td> </tr> </table>	Works:	US\$110.9 million	Goods:	US\$ 4.0 million	Consultant Services and Training:	US\$ 5.0 million	Incremental Operating Costs:	US\$ 0.1 million	Unallocated:	US\$ 4.0 million
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Goods:	US\$ 4.0 million										
Consultant Services and Training:	US\$ 5.0 million										
Incremental Operating Costs:	US\$ 0.1 million										
Unallocated:	US\$ 4.0 million										

Financial Data

Funds Committed	US\$113.6 million	% approved	92
Funds Disbursed	US\$6.7 million	% approved	5
Forecast Closing Date	June 2014	Delay (months)	1

Progress against indicators

Restore original capacity of units 2 and 3 of Hartha power plant	Hartha Rehabilitation Contract is effective allowing commencement of works	% of planned	25
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Qualitative Assessment of Project Performance

The Project has achieved 25% physical progress, with the Contractor having met all contractual milestones to date (commenced erection of the boiler for Unit 2, and commencement of work on other non-critical path items including water treatment plant, tower cranes, and pipeline trestles).

The MoEl will soon sign a contract for an Environmental Management Consultant, that will ensure full implementation of the Environmental Management Plan for the Project.

The World Bank is supporting the PMT in closely monitoring TPE's progress against contractual milestones, and to date this progress has been in line with contractual requirements. It is expected that Project disbursements will steadily increase in early 2012, as the Project gains momentum. The World Bank team continues to hold bi-monthly progress meetings with MoEl, the Contractor and Owner's Engineer to ensure that progress issues are resolved quickly.

Major Implementation Obstacles

The delay in signing the contract with TPE and mobilization on site were the main reasons for the unsatisfactory rating for the Project. Project implementation is underway with the Contractor now having mobilized staff to site. The World Bank will continue to provide intensive implementation support.

International Development Association
Emergency Water Supply Project (C44090/P094650)
October 2011

Project Summary Sheet

Title	Emergency Water Supply Project				
Implementing Agency	Ministry of Municipalities and Public Works (MOMPW)				
Location	Ghammas, Al-Nasr, Wasit, Maimona				
Sector code (OECD DAC)	14020 Water supply and sanitation (large systems)				
Compact Priority	4.4.1.5.2 Undertake specific measures to ensure universal access to services (water / sanitation, housing)				
Project Cost	SDR66.5 million (approximately US\$109.5 million at time of approval)				
Duration	51 months				
Approval Date	June 2008	Effective Date	September 2009	Closing Date	December 2013
Project Description	The Project addresses the urgent needs for safe and adequate supply of water to nearly 250,000 people in Ghammas, Al-Nasr, Wasit and Maimona cities and surrounding areas. The Project includes the upgrading and replacing of water supply and distribution schemes. The Project also provides support to MMPW to improve its capacity to plan, manage and supervise project implementation as well as operation and maintenance through capacity building and training of the Ministry staff.				
Beneficiaries	250,000 people in Ghammas, Al-Nasr, Wasit and Maimona cities and surrounding areas.				
Near Term Employment Creation	Employment creation is not an objective of the Project.				

Strategic Context and Donor Coordination

The total needs for rehabilitation and reconstruction of water supply and sanitation facilities are estimated to be about US\$6 billion. The World Bank worked closely with the MMPW to identify project components, which were coordinated with the work of the US, DFID (in the South), and UN agencies (in the North). World Bank-administered financing is implemented by the MMPW to help ensure Iraqi ownership and build Iraqi institutional capacity. The World Bank's interventions are carefully designed for sustainability (e.g., new water treatment units are accompanied when necessary by distribution network rehabilitation). The World Bank meets regularly with other major donors, and collaborates closely with the Japan Bank for International Cooperation, including launching joint missions, to identify joint and complementary financing opportunities for future projects.

Project Development Objective

The principal objective of the Project is to improve the quality and quantity of water supply in four priority governorates through rehabilitating and upgrading water supply and distribution schemes. Other secondary objectives of the Project are to begin modestly and flexibly engaging the government on issues of a sustainable policy framework for the water sector and to continue the programs of capacity building and training.

Outputs, Key Activities and Procurement

Outputs	<ul style="list-style-type: none"> • Improve quality and quantity of water supplied to 4 selected communities in 4 governorates • Strengthen the capacity of the sector to plan, operate and manage assets
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	<ul style="list-style-type: none"> Engage the GOI on developing a sustainable policy framework for the sector
Activities	<ul style="list-style-type: none"> Rehabilitate and upgrade Ghammas water supply and distribution schemes Rehabilitate and upgrade Al-Nasr water supply and distribution schemes Rehabilitate and upgrade Wasit water supply and distribution schemes Rehabilitate and upgrade Maimona water supply and distribution schemes
Procurement	Works: US\$91.16 million Goods: US\$ 0.10 million Consultant Services and Training: US\$ 5.89 million Incremental Operating Costs: US\$ 0.49 million Unallocated: US\$11.86 million

Financial Data

Funds Committed	US\$76.2 million	% approved	70
Funds Disbursed	US\$27.7 million	% approved	25
Forecast Closing Date	December 2013	Delay (months)	

Progress against indicators

Water treatment plants and water distribution systems in Ghammas	In progress, but lack of financial progress hinders project implementation	% of planned	54
Water treatment plants and water distribution system in Al-Nasr	In progress, work has picked up after staff replacement and the implementation of a recovery plan that has reduced the gap in implementation.		55
Water treatment plants and water distribution system in Wasit	In progress		51
Water treatment plant and storage tanks and pumping stations in Maimona	Funding of this component under pressure as the first three contracts turned out to be awarded at a cost of about 20 percent more than originally budgeted, whereas the dollar value of the IDA grant has declined		N/A
Construction supervision consultants are employed to supervise the works contracts.	3 consultancy service contracts under implementation; the fourth is being processed		N/A
About 100 Iraqis have been trained in various aspects of water supply and sanitation operations.	Training and capacity building program is ongoing		N/A

Qualitative Assessment of Project Performance

The project is under implementation in three locations, and the average physical progress in these three locations is about 40 percent. The Project has moved slower than expected progress in implementation. Recovery plans have been developed and seem to have a first positive impact on implementation.

The fourth contract has not been awarded yet, due to higher costs for works than previously estimated and the decline in the dollar value of the IDA grant. The Minister of MMPW agreed to allocate about US\$10 million from the Ministry budget to cover the construction cost of the distribution water network in Wasit and Maimona.

Major Implementation Obstacles

Implementation issues in Iraq are adversely affected by security issues, and weak implementation capacity of the different stakeholders. In addition, there are substantial delays in payments to contractors and consultants. There is in general a large gap between physical and financial progress in the on-going projects. This gap is troubling because if contractors do not get paid once works are completed the delays in payment result in significant cash flow problems that subsequently result in serious implementation delays. These implementation delays are resulting in (i) high cost in the form of increased costs for contract supervision, and (ii) delays in providing the population with water and the resulting extra coping costs for the population. In addition, the lack of a regular cash flow increases the costs of future water projects as contractors will increase prices significantly to cope with the high financial risks associated with implementing projects.

It is important hence that the PMT is paying contractors after work is delivered to ensure that the contractor can finance the next step in implementation.