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USAID Iraq Financial Development Project

Second Quarterly Report, FY2012
March 31, 2012

March 2012

This publication was produced for review by the United States Agency for International Development. It was prepared by AECOM International Development.

Prepared under USAID contract number:
267-C-00-10-00005-00

Submitted to:
USAID/Iraq

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USAID AECOM

SECOND QUARTERLY REPORT, FY 2012
APRIL 14, 2012

April 2012

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ACRONYMS

AACSB	Association to Advance Collegiate Schools of Business
ACH	Automated Clearinghouse
ADB	Asian Development Bank
AUB	American University of Beirut
BSA	Board of Supreme Audit
BIBF	Bahrain Institute of Banking and Finance
BIS	Bank of International Settlements
BTI	Bank Training Institute
CBI	Central Bank of Iraq
CDR	Centralized Data Repository
CIB	Credit Information Bureau
COP	Chief of Party
CoR	Council of Representatives
CPA	Coalition Provincial Authority
DCD	Deputy Component Director
DCOP	Deputy Chief of Party
DFID	Department for International Development
DQA	Data Quality Assessment
EBBP	Electronic Bureau of Payments and Procurement
FSDTF	Financial Sector Development Task Force
FSVC	Financial Services Volunteer Corps
GATS	General Agreement on Trade and Services
GCBP	Governorates Capacity Building Project
GDA	Global Development Alliance
GDP	Gross Domestic Product
GoI	Government of Iraq
GSRS	Government Securities Registration and Settlement System
HCED	Higher Committee for Educational Development
IASD	Iraq Association of Securities Dealers
ICBG	Iraqi Company for Bank Guarantees
ICDL	International Computer Driving License
ICF-SME	Iraqi Company for Financing SMEs
IFC	International Finance Corporation
IFRS	International Financial Reporting Standards
ILSP	Iraq Legislative Strengthening Project
IMF	International Monetary Fund
INI	International Negotiation Institute
INIC	Iraqi National Investment Commission
IOSCO	International Organization of Securities Commissions
IPBL	Iraqi Private Bankers League
ISC	Iraqi Securities Commission
ISX	Iraqi Stock Exchange
IT	Information Technology
KRG	Kurdistan Regional Government
L&RA	Legal and Regulatory Advisor
MENA	Middle East and North Africa

MFI	Microfinance Institution
MOU	Memorandum of Understanding
MoF	Ministry of Finance
MoI	Iraqi Ministry of Interior
MoHESR	Ministry of Higher Education and Scientific Research
MSME	Micro, Small and Medium Enterprise
MUCIA	Midwest Universities Consortium for International Activities
NBFI	Nonbank financial institution
NGO	Non-governmental organization
NPC	National Payments Council
OAA	USAID/ Office of Acquisition and Assistance
OSB	American University of Beirut Olayan School of Business
PM	Prime Minister
PMU	Project Management Unit
PRT	Provincial Reconstruction Team
REP	American University of Beirut Regional External Programs
RFI	Request for Information
RFP	Request for Proposal
RPS	Retail Payment System
RPSI	Retail Payment Systems Infrastructure
RTGS	Real Time Gross Settlement
SBDC	Tijara Small Business Development Center
SGS	Sallyport Global Services
SME	Small and Medium Enterprise
TFBSO	Task Force to Improve Business and Stability Operations
TOT	Training of Trainers
UAB	Union of Arab Banks
USAID	United States Agency for International Development
USD	United States Dollar
USG	United States Government
US SEC	United States Securities and Exchange Commission
XBRL	Extensible Business Reporting Language
WB	World Bank
WTO	World Trade Organization

EXECUTIVE SUMMARY

The Iraq Financial Development Project represents one of the primary elements of USAID/Iraq's long-term strategy for the financial sector that envisions the continued capacity building of the financial sector to meet international standards, with a special focus on the private banks. This strategy is influenced by the assumption that the development of the private financial sector offers the best long-term prospects for providing the credit needed to promote and sustain economic growth and job creation, particularly in the non-oil economy. This strategy will be achieved through capacity building efforts, developing institutions that are currently missing from the financial sector architecture, and addressing legal and regulatory constraints. The project design recognizes that other donors and USG assistance are targeting other segments of the financial sector including the World Bank (restructuring of the state-owned banks) and the US Treasury (improving CBI supervision). The project design also incorporates the assumption that project investments will result in increased private sector financial intermediation—transformation of deposits into investment resources—that will in turn lead to an increase in lending and investment in the private sector and contribute to job creation and diversification of the economic base.

The strategic interventions being implemented by the Iraq Financial Development Project are now in the second fiscal year of its five year period of performance. These contractual interventions are comprised of the following three integrated components:

1. ***Enhance the Advocacy Capacity of the Private Financial Sector.*** This component is aimed at strengthening a private industry association(s) to serve its members through advocacy and training. The association(s) will serve as a key interlocutor with the GoI on policy, legal, administrative and regulatory reform and capacity development under the project.
2. ***Improve the Soundness of the Private Financial Sector Through Institution Building and Targeted Reforms.*** This component is aimed at implementation of targeted reforms that put in place financial sector infrastructure and capacity for expansion of bank and nonbank financial institutions and services. Under this component, the contractor will assist in establishing a credit bureau, a financial sector training institute, a bank training institute and a retail payments system.
3. ***Improve the Quality and Availability of Finance and Business Education.*** This component is aimed at developing modern business and finance curricula, faculty, and degree programs at select business schools/universities to provide a supply of qualified Iraqis to fill the gap in finance and business skills needed for private financial sector and enterprise development.

The fully developed results/impacts of these three elements are expected over the long term. Unlike short-term, immediate impact development efforts such as direct lending programs (Microfinance, SME, etc), attitude change, legal/regulatory/administrative reforms and the adoption and understanding of new systems take years to implement. . . . The key to ensuring sustainability and unlocking the potential that lies beyond the life of the Project is placing the ownership of the initiatives into the hands of the local people and institutions that will benefit from them.

While the impacts of the Iraq Financial Development project are long-term in nature, there have been several notable achievements during the implementation period. The most noteworthy example is the Federation of Private Banks that has been established on a capital base of unsolicited investment by 13 private banks in the amount of \$1.1 million USD, with additional private banks anxious to invest. Previous efforts to organize banks into a cohesive association have all depended on donor funding to start and maintain the association, with limited results to show for the development investment. Through

their own investment initiative in the Federation, the private banks have effectively demonstrated that they are serious about the organization and its purpose. The Federation has already been accepted and recognized by the Union of Arab banks and the Turkish Bank Association as the voice of the Iraq Private Banks. Additional examples of intervention progress include the response to the training programs offered by the Bankers Training Institute that has been well above expectations, and women's participation is very high. Likewise, the interest among business and finance educators in the seminars and lectures sponsored by stakeholder Iraqi Universities and supported by project technical assistance has been exceptional and three of those stakeholders have been accepted for membership in the AACSB. This latter achievement has generated enthusiasm at additional universities that now want to be included in the project development efforts.

COMPONENT 1: ENHANCE THE ADVOCACY CAPACITY OF THE PRIVATE FINANCIAL SECTOR

THE FEDERATION OF IRAQI PRIVATE BANKS

Building on initial advocacy training, the Federation adopted plans to pursue targeted legal/policy reforms in the Iraq financial sector. Acting on these goals will develop cooperative advocacy capacity for the member leadership and attorneys. Further addressing the association's mission, the Federation, with project assistance, defined a communications action plan which dovetails with the advocacy plan. The Federation Managing Director, accompanied by various member bank representatives, took the first steps to carry out these plans. They began establishing government relationships for support of private banking with the Prime Minister's Office, the Central Bank of Iraq (CBI), and the Council of Representatives. They also took the first steps toward press opportunities to advocate for banking fairness. Additional regional partnerships with the Union of Arab Banks and the Turkish Banks Association were initiated to bring training and collaboration to Iraqi banks.



Dr. Moyara Ruehsen, International Money-Laundering expert from Monterey Institute delivers Distinguished Lecturer Seminar "Three Pillars of a Sound Banking System" for Baghdad banking and financial community.



Baghdad press captures signing of the Joint Council letter of cooperation between the Federation and four Iraqi colleges of banking and finance as the Minister of Higher Education looks on.

In January 2012, the Federation sponsored its first Distinguished Lecturer Seminar on a sound banking system in Baghdad for government, banks, and other private sector organizations. It also set up a partnership with Iraqi Universities to introduce capable future bank employees to international standards.

PRIVATE FINANCIAL SECTOR DEVELOPMENT “GOI CHAMPIONS” TASK FORCE

To address the movement of responsibilities among executives in the Government of Iraq (GoI), additional investment opportunities for Iraq, the initiation of new private sector organization personnel and activities, and the emergence of an operational Federation, a revision to the Task Force concept was required. The extensive rework of the Task Force Concept Paper is under review. Within the next quarter, the Project and USAID must agree on how this group will be defined and proceed. That will allow for the final selection of the members from the Iraqi government and the initial meeting.

LEGAL AND REGULATORY

In a series of meetings of the Federation’s Legal Advocacy Committee, the bank attorneys have reviewed the items on the “short-list” of items to initiate the process of addressing legal reform. In these meetings assisted by the Project Iraqi attorney and the Federation staff leadership, the committee is researching the effects of the restriction of bank usage by some government agencies to state banks only in preparation for bank advocacy for change. In addition, the Managing Director, along with individual bank members, is meeting with GoI officials to resolve short term issues affecting private banks such as immediate payment of retroactive taxes not billed or collected by the tax office for years.

COMPONENT 2: IMPROVE THE SOUNDNESS OF THE PRIVATE FINANCIAL SECTOR THROUGH INSTITUTION BUILDING AND TARGETED REFORMS

CREDIT INFORMATION BUREAU (CIB)

During the reporting quarter, the project held several meetings with CBI to identify banks to participate in a pilot program for customer consent to share loan information between banks. The issue was discussed with the Director General for Banking Supervision.

The project continued to identify and develop public awareness materials for its inclusion onto the CBI's Credit Registry website. The materials include: a description of Credit Information Bureau services; the history of credit information in Iraq; a background to the Credit Registry; and, explanations on the benefits of credit information sharing and definitions.



BANK TRAINING INSTITUTE (BTI)

The Iraqi Bank Training Institute entered the Iraqi Banking Sector during this reporting period. Interaction occurred with 28 of the 32 banks operating in Iraq. A total of 4,264 hours of training have been provided to 77 students. At the seminars there has been at least one student from each of these 28 banks. Female representation is approximately 65%. The Iraqi Bank Training Institute is succeeding in applying international training standards for its course. This includes use of competency assessment and placement exams, and providing continuous feedback to participants and their managers.

In addition, a grading scale compliant with that used by Iraqi Higher Education Institutes is being applied. The Iraqi Bank Training Institute has also expanded its reach beyond Baghdad by serving students from Basra and Mosul.

RETAIL PAYMENTS SYSTEM (RPS)

During the reporting quarter, the Project focused on the supporting legal basis for the Retail Payment System Infrastructure by drafting a set of regulations, which will be used by CBI to regulate the RPSI in advance of pending legislation, since the process of adopting regulations will take a shorter period of time than enacting legislation. The Project's retail payments team also drafted the "Instruction" for the CBI to issue in order to inform payment system participants about the revised regulatory framework for mobile payments and the principles underpinning the retail payment systems infrastructure. The Project also developed a draft Terms and Conditions for the RPSI license agreement, which will be used by CBI as a basis to negotiate the RPSI license agreement with the winning bidder.



CORE BANKING SYSTEM

During the reporting quarter, the Project made significant progress towards completion of the Core Banking System RFP by delivering the legal and procedural sections of the RFP to the CBI for their review. Additionally, the Project developed an industry standard Financial Business Architecture (FBA) framework survey instrument to give CBI the ability to visualize the requirements for a Core Banking System (CBS) inherent in CBI's activities. After CBI completes the review of the RFP, as well as the FBA survey, the Project will be able to finalize the RFP.

COMPONENT 3: IMPROVE THE QUALITY AND AVAILABILITY OF FINANCE AND BUSINESS EDUCATION

MINISTRY OF HIGHER EDUCATION (MOHE)

On October 31, 2011 a letter signed by the Minister of Higher Education was sent to Baghdad University, Al Mansour University College, and Al Mustansiriyah University authorizing and instructing them to cooperate with Component 3 activities. The Ministry of Higher Education Senior Advisors have continued to engage constructively with the Component 3 programs. Additionally, the Senior Advisors to the Ministry of Higher Education have interacted and supported meetings with the deans and faculties of the partner colleges of management and economics and with Component 3 grantee institutions.

UPGRADE EXISTING FINANCE AND BUSINESS PROGRAMS AND ACCREDITATION.

- *AACSB Memberships*

On December 18, 2011, Component 3 was advised by the association to Advance Collegiate Schools of Business (AACSB International) that the applications for membership by Baghdad University, Al Mansour University College, and Al Mustansiriyah University were approved for membership. AACSB-International is the world's leading accrediting organization for business education. During this reporting period, the Component 3 team members met with the deans of the partner institutions to discuss the significance of this accomplishment, as well as the next steps to engage with the AACSB and its members, and to attend the 2012 Annual Meeting in San Diego, California, April 28-May 1, 2012.



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- *Grantee Site Visits*

Shippensburg University of Pennsylvania made its initial visit January 5-12, 2012 to Baghdad University and the Post Graduate Institute of Higher Studies Accounting and Finance. The second visit is scheduled for April 8-13, 2012. University of Dubai was forced to cancel their second site visit (March 11-15) because of security concerns related to the upcoming Arab Summit. The visit has been rescheduled for April 15-20, 2012. In lieu of face to face meetings, the Component arranged a series of video-conferences between University of Dubai and Baghdad University and Al Mansour University. This was so successful that we have also begun initiating video-conferences for Shippensburg University of Pennsylvania and Baghdad University and Al Mansour University College.

- *Short Term Technical Advisor (STTA)*

Dr. Moyara Ruehsen, Associate Professor at Monterey Institute of International Studies, was contracted to work with the project from December 10, 2011 to January 13, 2012. Dr. Ruehsen prepared and presented a workshop entitled, "Current Issues in Finance and Banking Education". The attendees for this workshop were invited from throughout Iraq's Colleges of Management and Economics. Forty-two "Certificates of Completion" were awarded to attendees. "Certificates of Completion" were co-signed by the Iraq Financial Development Chief of Party and H.E Minister of Higher Education, Ali Al-Adeeb. The

workshop was held December 18-22, 2011 at Baghdad University's Higher Institute for Finance and Accounting. On January 3, 2012 Dr. Ruehsen was the guest speaker at a luncheon hosted by the Federation of Iraq Private Banks. On January 7, 2012 Dr. Ruehsen presented the distinguished lecture entitled, "The Three Pillars of a Sound Banking System".

- *University Partnerships and the Joint Council*

On January 3, 2012, a "Letter of Cooperation" was signed between the Federation of Iraqi Private Banks and the partner universities establishing a Joint Council. The Joint Council is intended to serve as a vehicle to bridge the private banking sector and the Iraqi finance and banking academic community. The "Letter of Cooperation" outlines the process by which the parties will cooperate with the intention of sharing mutual concerns and interests relative to Iraq's private banking sector. It is anticipated that the Joint Council will enable the parties to solidify a long-term successful relationship between Iraq's private banks and its universities. Then, In March 2012, the Component and the Joint Council met. The Joint Council serves as a vehicle to bridge the private banking sector and the Iraqi finance and banking academic community. This was the first meeting to take place since the January 7th 2012 "Letter of Cooperation" signing between the universities and the Federation of Iraqi Private Banks. The "Letter of Cooperation" outlines the process by which the parties will cooperate with the intention of sharing mutual concerns and interests relative to Iraq's private banking sector. During the March meeting the Federation agreed to continue collaboration with the universities. Federation members positively responded toward university requests for internship placements and efforts to develop professional career services. The banks also agreed to support university business advisory boards through membership, and contribute to faculty research efforts. The Joint Council continues to enable the parties to solidify a long-term successful relationship between Iraq's private banks and its universities.

QUARTERLY PROGRESS, MONITORING, AND EVALUATION REPORT

COMPONENT 1: ENHANCE ADVOCACY CAPACITY OF THE PRIVATE FINANCIAL SECTOR

DELIVERABLES - NARRATIVE

As with many economies in transition, the private banking sector in Iraq is small, poorly organized and lacking an effective voice in the policy process. The lack of a private sector champion or constituency for reform has hampered past efforts to implement reforms, which to date have been driven from the top down. Consequently, this component will focus on strengthening the private financial sector's ability to formulate, influence and assist in the implementation of critical reforms that support financial sector development. The private banking sector, through an industry association(s), will take the lead in advocating for reforms and providing critical analysis and public education about the costs and benefits of reforms. In order to achieve this objective, the Iraq Financial Development project is providing technical assistance and training to the private financial sector through the Federation of Private Banks in Iraq, so that they are able to educate policy makers to push for priority legislative and regulatory changes and provide capacity building services to its members. The project provided technical assistance to establish the Federation of Private banks in 2011, a new private sector industry organization aimed at forging a strong, professional industry voice that can effectively represent the interests of the financial sector with the Central Bank of Iraq (CBI), Council of Representatives (CoR) and other government entities as well as with the Iraqi citizens. (See Appendix A, 2012 Project Activities Schedule).

Private Bankers' Association

D 1.1.1 Strategic Plan for institutional development, strengthening and sustainability of one or more industry associations

- *Implement course of action to establish/strengthen organization*

Completed during this quarter:

Two internal committees of the Federation, Legal/Advocacy and Employee Performance, began regular operations to address advocacy and banking improvement. Bank members have been slow to provide staffing for other committees including the Technology Committee, the Communications Committee, and the Product/Services Committee. This is a reflection of both Federation staff's inability to drive these subjects and bank members' lack of knowledgeable staff in these areas. The Project is mentoring the Federation staff and providing direction to the committees. In addition, the Project team is interviewing bank staff working in the committee areas to determine how to help the member banks identify potential committee representatives from their banks.

With completion of three USAID grants, the Federation headquarters premise is ready for occupation, the staff hired, and much of the needed equipment is in place. The Federation staff began learning to run

the office, handle inquiries, and address elements of their mission from the Federation Executive Assistant/Human Resources Manager. At this point, much of the mission-targeted activity requires the involvement of the Managing Director. Building the overall staff capacity will take several months of on the job training with Project assistance and potential twinning of staff with staff of a successful regional association such as the Turkish Banks Association or the Union of Arab Banks. Additionally, with Project support, the Federation has continued to build its regional relationships, furthering the association with the Union of Arab Banks in Beirut, Lebanon and initiating work with the Turkish Banks Association in Istanbul, Turkey.

Upcoming during next quarter

The Project will assist the Federation to build the capacity to run at least two additional committees, move the legal/policy agenda forward, expedite communications operation, and adopt key organizational documents. Communications exercises will begin with an opening ceremony for the financial community and include press relations and website design.

When the Federation finalizes registration office requirements for its Limited Liability Company structure, it will reincorporate as a Joint Stock Company to accommodate more members.

- *Assist in developing Governance Plan, with annual review*

Completed during this quarter

The Project drafted a “Plan of Administration” (Governance Plan) last quarter. It was reviewed by the Federation’s Managing Director and Legal Counsel. Final approval by the General Assembly has been given with the anticipation that it will have to be updated if the Federation changes its legal structured to a Joint Stock company.

Upcoming during next quarter

At this point, whether a new organization structure is sought or not, the Administration Plan will be updated and approved. Federation members are interested in understanding governance planning and this plan will serve as an example.

- *In consultation with the association, design basic Strategic Plan, with scheduled annual updates.*

Completed during this quarter:

The Project assisted the Federation leadership to continue to review elements of the strategic plan including the “SWOT” analysis, whereby the Federation considered its “Strengths, Weaknesses, Opportunities and Threats.”

Upcoming during next quarter

The initial Strategic Plan will be completed next quarter.

D 1.2.2 Communications Strategy for Association(s) and Related Products and Events

Completed during this quarter

The Project Communications short term advisor reviewed the strategy and assisted the Federation to create a detailed communications action plan.

Upcoming next quarter

The Project will assist the Federation to execute the action plan for the communications strategy.

D 1.2.3 Advocacy Training Plans Implemented

Completed during this quarter

The Project has assisted the Federation to begin operation of the Legal/Advocacy Committee. On the job (OTJ) advocacy training beyond the introduction course is being implemented through this committee.

Upcoming during next quarter

The Legal/Advocacy Committee will continue to focus on the elements of the legal reform short list created by the legal team, meeting as often as necessary to identify action plans and assign reform responsibilities.

D 1.3.1 A prioritized reform agenda developed by Associations

- *Create action plans, including specific tasks, clear roles, defined responsibilities and timelines to address selected barriers*

Completed during this quarter

Response to the agenda developed by the association and updated by the Project legal team still continues. The Federation is researching and prioritizing reforms and creating action plans with Project assistance. Additional advocacy training will accompany this assistance.

Upcoming during next quarter

This work continues.

D 1.3.2 GoI champions for association reform agenda identified and engaged

- *Deliver and disseminate findings from White Paper and other research*

Completed during this quarter

A significantly revised Financial Development Task Force concept paper was drafted and reviewed with experts. Changes in laws and practices as well as the activation of the Federation of Iraqi Private Banks required this document to be reworked. It also delayed the initial Task Force meeting and dissemination of the White Paper.

Upcoming during next quarter

The Project and USAID must decide on the mission and membership of the GoI Champions' Task Force. At that point, a meeting can be convened based on the revised concept paper if that is appropriate. Before the meeting, the White Paper and any relevant material will be sent out for comment.

- *Develop tailored approach and cultivate relationships with potential champions for private financial sector development within key GoI and private sector entities*

Completed during this quarter

The Task Force membership has been redefined in preparation for a first Task Force Meeting. It has been reduced from the former large group of members from many government agencies and private sector organizations to a small group to include representatives from the Central Bank, the Council of Representatives finance task force, the Prime Minister's economic council, and a chair person acceptable to all. The changes require discussion between the Project and USAID.

Upcoming during next quarter

The Task Force is scheduled to hold its initial meeting.

- *Convene Private Sector Development Task Force, consisting of key GoI and private financial sector stakeholders with goal of achieving long-term sustainability of group*

Completed during this quarter

The Project completed planning for the Task Force Inaugural meeting inclusive of approval of funding. However, the revisions to the Concept Paper were extensive and the initial meeting is not yet scheduled.

Upcoming during next quarter

The inaugural meeting of the Financial Development Task Force is scheduled to take place in second quarter 2012.

- *Jointly construct Blueprint for private financial sector development, based on reform agenda created by the Association*

Completed during this quarter

The Blueprint was deferred to next quarter to be ready for the task force meeting.

Upcoming during next quarter

The Project will complete the Blueprint.

D.1.3.3 Communications Plan implemented including the launch of a public education campaign to inform public about the role of banks in the economy

- *Take action to implement communications plan*

Completed during this quarter

The Project short term communications advisor assisted the Federation to design a complete plan this quarter. The plan includes a KAP (Knowledge, Attitude and Practice) baseline survey to inform banking sector actors about public perceptions, understanding, and participation in the banking sector. It covers Federation staff knowledge and skill requirements, professional outreach and marketing material needs, orchestration of public education campaigns, and country-wide plans.

Upcoming during next quarter

The communications advisor will help the Federation implement the communication plan using Iraqi market research and public relations resources as needed.

- *Create marketing tools and promotional materials*

Completed during this quarter

The Federation created a recruiting package for new members and worked with the communications advisor to design a plan for additional materials including a fact sheet, brochure, professional business cards and newsletter.

Upcoming during next quarter

With a domain for website, phone numbers and email addresses now available for the Federation, additional promotional materials will be prepared.

- *Determine communication procedures with members and affiliates*

Completed during this quarter

The communications advisor determined which bank managers and staff to be interviewed and what actions the Federation must take, such as acquiring permanent email addresses for staff and members and a website that links to members in order to set up productive communications procedures with members. For the time being, communications with non-member private banks will still be by hard copy.

Upcoming during next quarter

The communications advisor will continue to work with the Federation to determine how to improve member communication with Federation staff.

- *Create public awareness campaign to educate public, investors and the financial community about Association(s)' activities*

Completed during this quarter

With Project assistance, the Federation set up a draft plan to create a public awareness campaign. The Managing Director arranged and participated in a television interview to educate the public about the Federation.

Upcoming during next quarter

The Communications Advisor will assist the Federation to plan a public awareness campaign to educate the public and the financial community about the activities of the Federation. He will also assist with the Grand Opening of the Federation as a media event.

D 1.4.1 Regional and International Linkages Established With Other Associations and Industry Groups

- *Visits to regional banking organizations to profile international best practices and foster linkages*

Completed this quarter

The Federation met with the UAB to formalize their relationship. The Federation also initiated a relationship with the Turkish Banks Association for a twinning program and wide-ranging member training.

Upcoming next quarter

The Federation will continue working with the UAB and the TBA to increase working relationships for Iraqi banks with regional banks and secure best practice training for bankers in Iraq.

D 1.4.2 Association Linkages to University Programs Established

- *Tap universities with focused banking and finance programs to link with private banking association and Task Force to conduct research and policy papers*

Completed during this quarter

The Letter of Cooperation between the Federation and four Colleges/Institutes of Administration and Finance in Baghdad was signed in a media event and seminar on January 3, 2012.

Upcoming during next quarter

The Federation representatives from the Employee Quality Committee and Federation leadership with Project support will begin meetings with University Deans to develop a joint agenda.

D 1.5.1 Four to Five Targeted Policy, Legal, Regulatory and Administrative Reforms Implemented that Quantitatively and Qualitatively Expand Financial Sector Intermediations

- *Review existing banking laws and determine areas for reform/development*

Completed this quarter

Using the legal and regulatory reforms “short-list,” the review has moved to the Federation Legal Committee for discussion and action planning. The “short list” was revised and now includes: 1) creating “level playing field” for private banks to compete for banking services business with government agencies, which now restrict their operations to state banks; 2) changing the current policy on restricting the issuance of letters of credit (LCs) to allow private banks ability to issue more LCs without using the state-owned Trade Bank of Iraq as an intermediary; 3) providing legal framework to support retail payments systems, credit cards, debit card, and mobile banking that ensures protection for consumers and banks and 4) ensuring private banks can participate fully with the housing fund without CBI restrictions.

Upcoming next quarter

The legal team will meet with the members of the Federation Legal Committee as often as necessary to further refine the reform agenda, identify action plans, build advocacy skills and assign reform responsibilities. These actions plans will then be incorporated into the Project PMP as individual indicators that will be used to monitor the reform process.

- *Determine legislative/regulatory process required to obtain approval*

Completed this quarter

With the departure of the expat Legal Advisor, the national staff attorney and technical staff continue to work with the Legal Committee to identify the most effective ways to promote each banking reform issue.

Upcoming next quarter

A new Legal Advisor will arrive and begin to drive this work in partnership with the national staff attorney. At that point, project personnel will identify representatives from various donor agencies who could provide information and advice on specific reform issues.

IMPLEMENTATION ISSUES AND CHALLENGES FACED

Challenge: The Federation is facing operational financial challenges because the monies shareholders paid for their participation in the organization had to be put into escrow until the company Registrar received all required documents from the Federation including the minutes of the first General Assembly meeting signed by all shareholders. In addition, because the members are companies, not individuals, the members must submit minutes from their Board meetings when membership in the Federation was approved. Those minutes must be signed by all Board members. At this point, not all companies have complied with the registration requirements.

Solution: The Federation and the Project are working with member attorneys to resolve the situation. The issue is expected to be resolved within the first weeks of quarter 3, FY2012.

Challenge: Iraqi law allows the Managing Director to be the single signatory on all documents, even financial documents for Limited Liability Companies such as the Federation. This governance practice is not a generally accepted practice in the rest of the world because it can too easily lead to mismanagement and misappropriation.

Solution: Before July 2012, it is expected that the Federation will begin restructuring to become a joint stock company with a board of directors which will provide more oversight and limit the authority of the Managing Director.

Challenge: The Federation is limited to 25 shareholders as a limited liability company. More than 25 banks are interested in joining and more membership is sought.

Solution: The plan for the Federation to restructure to become a joint stock company addresses this.

Challenge: The Financial Sector Development Task Force membership consists of high level (ministerial level) GoI officials. Major cabinet changes next quarter which will cause further delay in establishing the Task Force.

Solution: The solution is to establish new relationships with new cabinet level ministers or to redefine the task force make-up as described above.

COMPONENT 2: IMPROVE THE DEVELOPMENT OF THE FINANCIAL SECTOR THROUGH INSTITUTION BUILDING AND TARGETED REFORMS

DELIVERABLES- NARRATIVE

Under this component, the Contractor will assist the industry association(s) and counterparts in the GoI to improve the soundness of the financial sector by a) developing institutions such as a credit bureau, b) developing a training institute to provide demand-driven training to financial sector stakeholders, and c) implementing targeted reforms aimed at improving the regulatory capacity of the Central bank of Iraq through a fully functional Retail Payment System and Core Banking System. (See Appendix A, 2012 Work Plan Activities Schedule)

Credit Information Bureau

D 2.1.4: Legal and Regulatory Requirements for Credit Bureau Identified and Recommendations for Needed Changes Drafted

Completed during this quarter

As noted previously, the Credit Information Steering Committee, driven mainly by its CBI members, decided not to adopt a stand-alone Subscriber Code of Conduct. The provisions previously slated for the Code of Conduct are now to be included as part of the comprehensive credit information regulations currently being drafted in cooperation between the Project and CBI. The CBI is considering the use of the Jordanian Law of 2010 governing Credit Information and Credit Information Bureaus as the foundation for the Iraq legal framework.

- *Draft and approve CBI regulations to govern credit information sharing*

The process of drafting a regulation for governing credit information sharing continues as a work in progress. As stated above the CBI is considering a credit information regulation that has been in effect in Jordan since 2010. The Project has completed a comparative review of the legal framework to Iraq law and has found little potential issue with the use of said law.

The Project will continue to support the CIB steering committee review effort with the goal of completion of a final draft by end of second quarter. It should be noted that the Project is pending the arrival of the replacement Legal and Regulatory Advisor which is expected to take place by May 2012.

Upcoming during next quarter

During the previous quarter, the Credit Information Steering Committee appointed a subcommittee to begin drafting the Credit Information regulation. The Steering Committee also approved the approach to be taken by the sub-committee that includes developing two-tier regulation (CBI ordinance and accompanying instructions). The Project has also collated a number of credit information legislations from other Middle East jurisdictions to raise awareness of the sub-committee on current regulatory practices and aid regulation development. It is expected that a preliminary draft of the regulation has been completed, and will be reviewed internally by Project legal staff prior to being circulated to Committee Members for comment.

During the first quarter of 2012 the CIB Steering Committee conducted meetings that did not have sufficient quorums to take any meaningful decisions. The March meeting, end of quarter one of 2012, was dedicated to the presentation of the IFC analysis of lending capacity of Iraq based on a nation-wide sampling. Pursuant to the receipt of credit information legislation for the Middle East as stated above, the CIB Steering Committee is giving serious consideration to the Jordanian law of 2010.

- *Implement the use of customer consent forms with all registry subscribers*

This process remains a work in progress and should be finalized by end of second quarter 2012. A change in the Project staff for the Credit Information Bureau was effected during end of month January. The final decision regarding the use of the consent forms is targeted for no later than the May CIB Steering Committee meeting.

Completed during this quarter

The CBI has yet to decide on the original Project request to select five banks to participate in the customer consent pilot. The Project has initiated a direct dialog with select banks to discuss how best to introduce, manage and complete a pilot program for customer consent.

Core Banking Systems

The Project commenced collaboration with the USAID Microfinance (“Tijara”) support project and the Federation of Iraqi Private Banks to conduct a series of diagnostics of the core banking systems of between 5 and 9 key private sector banks. The intent is to determine and establish the standardization of the data elements and the electronic data transmission protocol, thereby enabling a more efficient transfer of information to the CBI/CIB. The planned private sector bank strategy will allow for the introduction of pilot programs that are designed to further expand the capacity of the private banking sector and the bank regulator to develop improved mechanisms for the protection of the marketplace.

The Project intends to use the synergies created by this collaboration to further the approval of policy enabling the requirement of customer consent for all bank processed loan applications for approved banks. Additionally the CIB will be directed to address the approval of the introduction of enabling legal framework for sharing credit information with microfinance institutions through a pilot program that will be formed and introduced as a two stage strategy—a pilot program and an expanded program.

- Initially Bank of Baghdad and Credit Bank were approached to participate in the pilot at their respective HQ branches.
- The challenge of printing new application forms was overcome with a proposal to collect customer consent on appended forms until a final form of the customer clause could be agreed to and embedded on original application forms.
- Given that the pilot participants requested that approval from the Central Bank be secured in order to include customer consent clauses as part of the application form, a discussion of the issue with the Director General for Banking Supervision was conducted and remains an open topic for further discussion from last quarter.

Upcoming during next quarter

The Project will follow up with CBI to obtain a non objection approval to loan application form amendments to include customer consent clauses at the preliminary test participant commercial banks. The Project will also seek the participation of the Al-Thiqa Microfinance Institution as part of the pilot. This remains a future event. This is a work in progress and will be formalized by end of second quarter 2012 for approval.

D 2.1.5 Public Education Campaign(s) Launched to Inform Public about the Role of a Credit Bureau in the Financial Sector

- *Awareness workshops for frontline credit staff at commercial banks (three workshops 2011 - 2012; two workshops annually thereafter)*

Completed during this quarter

On March 7, the Project coordinated the presentation of a credit scoring workshop by the IFC to frontline credit staff from the commercial banks (private/public), CBI, and representation of the MoF. Conference attendees included but were not limited to representatives from National Islamic Bank, Trade Bank of Iraq, United Bank of Investment, Rasheed Bank, Iraqi Middle East Bank, Alhuda Bank, Ashur Investment Bank, Dijla and Furat Bank, Bilad Islamic Bank, CBI, and USAID.

Three separate public credit information seminars were presented as invitation only events for the benefit of bankers and the rest of the financial community. This initial presentation was conducted in collaboration with the IFC. The event was coordinated in close collaboration with CBI and the Credit Information Steering Committee which is expected to undertake a pivotal role towards marketing the event and contributing speakers for future presentations. As highlighted during the previous quarter, the seminars will present the CBI vision for credit information services in Iraq, as well as raise awareness of recommended credit information practices.

On March 8, the Project arranged for IFC to present the CIB Steering Committee with their findings and recommendations for short, medium, and long term initiatives for the Credit Information Bureau. The presentations were conducted by Oscar Madeddu, IFC Advisory Services; Ziad Badr, IFC-Iraq Country Manager; Hanan Nawar Obaid, Program Assistant-Missions Coordinator-World Bank, Iraq Country Office.

- *Develop and launch CBI Registry website*

Completed during this quarter

Effectively no further changes have taken place this quarter. The material is still under development for the CBI Credit Registry website. An introductory page highlighting the history of credit information in Iraq, background to the Credit Registry, and, the services it provides has been developed by CBI. The Project has developed awareness raising material that will also be included on the website. The material includes explanations on the benefits of credit information sharing and definitions. Design options are being considered for a CBI issued credit report and guidelines on how customers and lenders can read the report.

Upcoming during next quarter

The Project will hold a meeting with the Credit Information Bureau department regarding the launch of the credit registry web-pages to coincide with the planned re-launch of the Central Bank website (<http://www.cbiraq.org>) which has been taken off-line for re-development. The results of the meeting will be shared during the April CIB Steering Committee meeting later in the month.

A future event to shed light on credit information consumer rights, and the rights and obligations of credit information stakeholders including CBI, banks, microfinance institutions, and data subjects has been tentatively rescheduled for the later part of the second quarter. The events will be conducted in Baghdad and Erbil respectively and are being coordinated with the IFC Iraq country office and the CBI with CIB Steering Committee representation. The agenda of the event will be developed as a joint exercise between the CIB, Federation and ICBG.

A comprehensive communication strategy will be formally developed for final approval during the second quarter. Notably, the Project is intent on replicating the seminars annually for the remaining duration of the Project under different themes as reflected by activity developments. During the second quarter, the Project will develop a 36 month comprehensive communication strategy, part of which will cover the preliminary scheduling of seminar activities and the collective roles of CBI, the Credit Information Steering Committee, ICBG and the Federation of Iraqi Private Banks, in raising awareness of recommended credit information sharing practices and implementation announcements in Iraq.

As previously stated, seminar events will also be used to launch the journalist toolkit and information packet. Preliminarily, this 'toolkit' will consist of: *i*) background material on the Project, *ii*) background

material on credit information, *iii*) a summary of the status of credit information in Iraq, *iv*) list of bankers and CBI staff willing to conduct interviews on the topic, and *v*) an article written by a project communications specialist/STTA, subject to USAID approval. This toolkit will provide media representatives standardized and pre-vetted background material as well as ready to publish articles on credit information services in Iraq. The toolkit will help Iraqi media outlets better communicate the value of credit information and raise awareness among the general populace of their credit information rights and obligations.

D 2.1.6 Sources of Data and Data Requirements for Launch of Credit Bureau Resolved

- *Develop commercial bank data validation program*

Completed during this quarter

In order to give IT developers of the CBI registry department the capability to develop a more robust, reliable, and complex program with required data validation, the Project contracted an Iraqi local training institute, “IT Training House”, to provide “Oracle Certified” training in the latest Oracle DB 11g technologies for three tracks: Oracle Certified Developer track (5 CBI staff), Oracle Database Administration track (4 CBI staff), and Oracle Application Server track (3 CBI staff), training a total of 12 students. To date, the following courses have been completed: *(i)* SQL Fundamentals, *(ii)* Develop PL-SQL Program Units, *(iii)* Oracle Forms Developer Build Internet Application. CBI staff is extremely pleased with the quality of the training, and IT Training House has graciously allowed additional CBI staff to attend on a class audit basis. This training event is a deliverable of the Financial Information Services sub-component as part of a broader strategy for the Bankers Training Institute (BTI).

The project conducted a meeting with representatives of the Tijara project (Microfinance), and the Executive Director and Deputy Director of the Federation of Iraqi Private Banks to discuss how the private banks *(i)* use their “core banking systems”, *(ii)* if the systems are being used correctly, or *(iii)* to the system’s full capability. This information will be used to gauge whether banks using core banking systems will be able to transfer loan data electronically to the Credit Information Bureau’s registry database.

Participated in a meeting with representatives of Iraqi Middle East Bank Mahassen Khairi Ahmed, Mohammed Adeb Haseeb, Malak Mustafa, Deputy Director Elham Mahdi, and staff from the Tijara project to discuss the Project’s recommendations to the Central Bank with regard to a requirement that commercial banks report loan information electronically.

Reporting electronically will be at no additional cost to the banks and the efforts are meant to streamline the data entry process at CBI. The reporting method has not been defined, as it is in the initial planning phase. It was discovered that IMEB produces loan reports which are required by the CIB electronically from IMEB’s core banking system.

Upcoming during next quarter

The project will work with the Federation to coordinate a meeting for the entire Iraq private banking sector in order to discuss the need for banks to address their risk management weakness with special emphasis on core banking systems implementation.

Develop and distribute a core banking system survey for the banks to provide information regarding their systems and system usage. This survey will determine if the banks maintain a Disaster Recovery Plan, and identify questions regarding their systems.

Bank Training Institute

D 2.2.2 Bank Training Institute Established

- *Process through the foundational and institutional development phases of BTI Establishment*

Completed during this quarter

The Bank Training Institute was launched. Competency Assessment and Placement Exams have been held. Multiple courses in the Bankers Learning English Program and the Bankers Learning Office Products Program have been conducted. Attendees at these events have included 195 persons (>65% women) from 28 of the approximately 32 public and private banks presently working in Iraq. In addition to attendees coming from Baghdad headquarters and branch operations, there have been attendees from the Basra and Mosul operations of the Central Bank of Iraq as well.

A number of policies and procedures were created. These include student admission, grading scales and processes, information distribution with respect to students' results and record retention.

Final evaluation of the site selected for a temporary location of the Bank Training Institute was completed. A comprehensive engineering analysis was completed and bids were received for evaluation.

Upcoming during next quarter

Market awareness development for the Bank Training Institute will continue. It is planned to establish a web-based presence for the Institute. In addition, efforts will be invested in accelerating interaction. Regular contact will be made with all banks.

A bank training managers meeting is planned to present a report on the activities of the Bank Training Institute. In addition, the platform will allow exchange of thoughts and networking amongst personnel responsible for training administration.

Work will continue on the development of policies and procedures. It is planned to continue development with the International Standards Organization Training Standards as a benchmark.

Resolution on the matter of a physical location for the Bank Training Institute will be sought. In addition to the site currently under review, efforts will be made to locate alternative venues. The Bank Training Center will continue to operate its training activities through collaboration with banks and other institutions which can provide training venues.

D 2.2.3 Training of Trainers and Curriculum Development Underway

- *Curriculum Development (continuous activity)*

Completed during this quarter

The Bank Training Institute had contact with 240 bank employees located in Baghdad, Mosul and Basra. A total of 28 banks have been contacted with 8 State Owned Banks, including the Central Bank of Iraq, and 20 Private Banks. The Bank Training Institute has deployed two programs: Bankers Learning English and Bankers Learning Office products. Three courses have been run for 77 students with a total of 4,264 hours of class room time. The three courses are CN4011 Practical Application of MS-Office for Bankers, Elementary CN6101 Business English for Bankers, Elementary and CN6102 Business English for Bankers – Pre-Intermediate.

In accordance with plans, training of trainers sessions were completed for 31 individuals. The materials presented in the course were normed to Iraq National Center for Consultation and Management Development.

Upcoming during next quarter

The Bankers Learning English Program and the Bankers Learning Office Products program will continue. A total of 160 students are planned to attend, which will result in 12,000 training hours.

In addition to this effort the following training programs are planned to be launched – Bank Governance Leadership Skills and a Management and Leadership Training Series. These programs will be oriented towards higher level managers within the banks with the objective of building the presence of the Bank Training Institute.

D 2.2.4 Regional Linkages to other Bank Institutes Established

Completed during this quarter

Follow up conference calls were held with Mr. Hussan Ismail- Deputy Head of the Bahrain Institute of Banking and Finance (BIBF). In addition to the presence of Mrs. Batool Jihad, the CBI Expert in Charge of the CBI Training Institute, representatives from the Federation of Iraqi Private Banks Company for Development of Banking Services as well as CBI development steering committee members - the Representative of the State Banks – Director General of the Administrative Department – Rafidain Bank, Mr. Sa'ad Fouad and the representative of the MoH / Baghdad University Dean of the Higher Institute of Studies in Accounting and Finance Prof. Dr. Mowfaq Abdul Hussein attended.

Further efforts to build regional linkages included program coordination meetings and conference calls with GIZ – the Federal Republic of Germany International Development Agency. These efforts resulted in establishment of connections with the Deutsche Bundesbank - Technical Central Bank Cooperation.

Upcoming during next quarter

Discussions will continue with GIZ with the objective of coordination of potential resources coming from the Deutsche Bundesbank - Technical Central Bank Cooperation

Exploratory discussions will be held with the Bank of England - Centre for Central Banking Studies. The Center has previously been active in Iraq, and they have a number of Arabic language educational items available for use.

Based upon the improvement of training delivery processes and procedures achieved, emphasis will be placed upon development of earlier contacts made with Bank of America, JP Morgan-Chase, BNY-Mellon and Citibank. These efforts will include bringing in materials and making arrangements for other knowledge transfer events.

Retail Payment System

D 2.3.2 Achievement of Phase 2 of the Retail Payment System

- *Participate in the Selection of a National Switch and Mobile Payment System Provider*

Completed during this quarter

In order to support and regulate the Retail Payment System Infrastructure, the CBI Legal Department agreed to adopt a set of regulations, under an overall CBI “Instruction” in advance of pending legislation.

Although the process of adopting regulations will take a shorter period of time than enacting legislation while system development can proceed, the regulations must be completed and adopted before the RPSI system “go-live” date. During the reporting quarter, the Project has completed the draft regulations, is currently performing an in-house review, and will send to CBI for discussion and approval in the near future.

Also during the reporting quarter, the Project retail payments team drafted the “Instruction” for the CBI to issue in order to inform payment system participants about the revised regulatory framework for mobile payments and the principles underpinning the retail payment systems infrastructure. It is the intention that the “Instruction” will be aligned procedurally with Iraqi Law and Practice by the CBI, and issued by CBI under the authority of Central Bank Law 2004 (Article 39). The “Instruction” was delivered to CBI for review by their legal department in both English and Arabic.

The Project developed a draft Terms and Conditions for the RPSI license agreement, which will be used by CBI as a basis to negotiate the RPSI license agreement with the winning bidder. The agreement was delivered to CBI in English and Arabic for review and comment by their legal department.

During the previous quarter, with the Project’s assistance, the CBI issued a Request for Statements of Interest from potential bidders on developing the RPSI. This received a very good response and 21 Statements of Interest were received. The RPSI team and CBI payments team reviewed those documents, and based on the responses, identified a list of potential bidders to whom the formal Request for Proposals will be issued by CBI in due course, after procedural and risk management issues within CBI have been resolved.

Upcoming during next quarter

The Project will work with CBI to assist them with issuing the finalized Request for Proposal (RFP) for implementing the RPSI to qualified Bidder consortia. To support the review process, the CBI will have to guide a new Steering Committee through the process of evaluating tenders and supervising the project to provide the new National Retail Payment Systems Infrastructure (RPSI). The CBI has little experience of tender evaluation and particularly of use of business models to evaluate the Business Proposals that will be made by bidders. The CBI Payment Department team has had two workshops introducing them to the model, but now need a concentrated period away from their usual roles in order to practice using the model, and a set of meetings in Erbil in has been planned for this training. However, this has been delayed pending the resolution of risk management questions within CBI regarding the tender process. The CBI team will also work through, with the RPSI team, the extensive set of detailed requirements contained in the tender, and will be taught how to make evaluations of alternative proposals against these requirements.

The Project is planning a training course in Erbil for the members of the RPSI Steering Committee, who are expected to form the core of the new National Payments Council (NPC). The course will cover the role of the Steering Committee and NPC, and include outside speakers who will share their experience of the development and governance of national payment systems. The course, originally planned for March, will likely be held after the remaining members of the RPSI Steering Committee is appointed.

The tender evaluation procedure for the RPSI project involves three main steps:

- Prequalification:

- Bidders were pre-qualified through assessment of their statements of interest against the pre-specified criteria in the RFP
- Qualified bidders will be sent the full RFP and they must respond according to the instructions
- Technical Proposal evaluation:
 - IFDP experts will read all the technical proposals and brief the 4-5 persons from the RPSI Steering Committee who will do the scoring (“the Tender Evaluation Committee”)
 - Technical bids will be analysed by the Committee members against pre-specified evaluation criteria; the members will individually score each bid against each criterion using a pre-prepared set of scoring sheets
 - Scores will be averaged by the IFDP team, discarding the highest and lowest scores for each criterion, and totals calculated using pre-specified weightings from the RFP
 - The best 2-3 Bidders will be invited to demonstrate their solutions to the committee and 2-3 members of the Steering committee will visit a user site from each of the strongest bidders
 - Final technical score will be calculated by the IFDP experts, including the results from the demonstrations and user visits.
- Business Proposal evaluation:
 - Business Proposals of the 2-3 best bidders will be opened and assessed using the business model prepared by IFDP, and scores will again be averaged by IDFP experts
 - IFDP experts will calculate the final scores combining technical and business results using pre-specified weightings from the RFP
 - The Bidder with the best score will be invited to negotiate the award of License; if the negotiation fails the next best Bidder will be invited to negotiate.

We believe that this process will ensure a fair, objective and transparent evaluation, consistent with Iraqi government procurement law.

- *Enhancements of the IPS Infrastructure to Support Retail Banking*

In March 2012, the Project made recommendations to CBI regarding the enhancement of the inter-bank settlement systems needed to accommodate the addition of the retail payment systems. These modifications are required to be in place prior to implementing the RPSI.

The IPD Upgrade project is in full progress and on schedule, in spite of the fact that the contract has not yet been signed and the initial payment has not yet been made. Montran management has decided to allow the project to progress in good faith, based on the fact that Ms Duha Abdul Kareem Head of Payments Department, has reported that the contract has been approved by the Governor and that the previously identified obstacle has been removed.

Contract signing is currently being held up by issues relating to Montran’s submission to CBI of a 5% Bank Performance Guarantee. Montran is working with its US bankers to try resolving the issue as soon as possible. In parallel with the effort with the US banks Montran is also exploring the possibility of issuing the guarantee via an Iraq based bank.

Upcoming during next quarter

The Project will continue to follow up with CBI and the local Montran resource to complete software development and operational testing as well as help CBI monitor Montran’s work.

IR 2.4 CBI has a complete Request for Proposals for a CORE system that could be used for a bid

Completed during this quarter

During the reporting quarter, the Project completed the draft of the legal and procedural sections of the Core Banking System RFP, and delivered these sections to the CBI for their review. IT management has reviewed the legal and technical sections, and has also distributed these to other departments within the CBI for comment.

The Project also developed a survey instrument to give the CBI the ability to visualize the requirements for a Core Banking System (CBS) inherent in CBI's activities. The survey was developed in the industry standard Financial Business Architecture (FBA) framework and also incorporates a structured table of the functions expected to be included in the CBS (the Functional Map). This table is aimed at providing the CBI CBS Evaluation team with a tool for checking and confirming the business support functions required in the CBI's planned new CBS, and adding their own comments and details. The survey was provided to CBI, both in Arabic and English, and CBI has distributed the survey to CBI staff who use the CBS on a daily basis.

The Project is waiting on comments on the legal and procedural sections of the Core Banking System RFP, as well as the survey response, which will need several review sessions between CBI and the Project to resolve any questions or outstanding issues the CBI may have.

Several conference calls were held between the Project, Financial Services Volunteer Corps - FSVC (Mr. Mark Dempsey, Ms. Danyelle Gerges), and BML Istisharat (Mr. Joe Faddoul, Mr. Raji Challita) to discuss improving BML's level of support for the existing Core Banking System. BML agreed to write a detailed summary of the BML services portfolio, especially services rendered to the Banque du Liban and other central banks regarding core banking systems, as well as an analysis of the current CBI systems profile, its strengths and weaknesses and recommendations for upgrading and updating the system. BML also provided a quotation for monthly onsite support for the CBS, and delivered this as a package to the Project and the CBI.

Upcoming during next quarter

The Project is waiting on comments on the above mentioned documents, as well as system requirements which will be contained in the survey response, and will complete the Core Banking System RFP in the following quarter. Additionally, the Project will meet with system providers to determine their interest and capability to work in and provide support within Iraq.

IMPLEMENTATION ISSUES AND CHALLENGES FACED

Challenge: During the course of CBI's final review of the RPSI RFP, several concerns were brought to the Governor's attention by the CBI Legal Department. These concerns include:

- Whether the CBI should be held accountable for the RPSI project or could these tasks be conducted by external parties.
- Should the CBI concentrate on the development of regulation and supervision only or do the CBI objectives justify CBI's involvement in the enhancement of Iraq's payment systems infrastructure and the promotion of financial inclusion.

- How should the CBI limit its responsibilities with regards to the management of the RPSI project during the various stages of the RPSI project lifecycle (i.e. tendering, licensing, implementation, operation, monitoring and license renewal).

At the request of CBI the Project submitted a final report to the CBI describing similar projects in neighboring and other relevant countries to help CBI better understand the role of other Central Banks regarding project announcement, issuing of tenders, receipt of proposals, evaluation of technical and business proposals, award of license, management of implementation, operation, monitoring and license renewal etc.). Many of the examples used and arguments raised have already been presented to the CBI in previous Project reports between March and June 2011, but the new paper consolidates the data.

Additionally, the Project wrote and delivered a memorandum recommending that the members of the RPSI Steering Committee be appointed and take the major role in the tender evaluation. To assure transparency, the Steering Committee would involve both users and providers of payment services, and hence include members from outside of CBI, including Ministry of Finance, Ministry of Communications, and private banks, and would be tasked with evaluating the RFP responses and awarding the right to negotiate the License to implement the RPSI. The memorandum explained in detail the description and responsibility for each step of the Tender process. We anticipate that this will mitigate the concerns that CBI currently has about proceeding with the Tender under its own direct auspices.

COMPONENT 3: IMPROVE THE QUALITY AND AVAILABILITY OF FINANCE AND BUSINESS EDUCATION

DELIVERABLES- NARRATIVE

As with many economies in transition from a command economy to one based on markets, the human resource base lacks skills in modern finance, accounting, business and management. The Iraqi education system is characterized by pedagogies, curricula and materials that are inconsistent with the requirements of a modern market-based economy, and isolation from the international community over the last several decades has exacerbated these challenges. If Iraq is to diversify its economic base by developing the non-oil private sector as a source of jobs, significant attention to the development of finance and business education is essential. This task also responds to the high premium placed by GoI and private sector counterparts on developing capacity at home to train and educate Iraqis rather than sending them overseas for short and long term training and education (although some overseas training opportunities may be envisioned). This component is aimed at bridging the skills gap between the requirements of a market economy and the offerings of the existing Iraqi educational system. This will be achieved by implementing assistance to bring curricula up to international standards, training faculty, and creating linkages among the financial and private sectors and business schools and universities. Counterparts include private sector universities and public sector universities and a close collaboration with the MoHE. (See Appendix A, 2012 Project Activities Schedule)

D 3.1.1 GAPS Analysis of at Least Two Existing Business and Finance University or College Program Conducted

Completed during this quarter

During this quarter, the Component Director engaged with the Ministry of Higher Education to arrange meetings with the Iraqi partner universities that explored mechanisms by which changes in the proposed curriculum can be implemented. The Component Director disseminated the results of the Gaps Analysis and the proposed model curriculum to the Iraqi partner institutions and other Colleges of Management and Economics throughout Iraq by sharing the Gaps Analysis and its findings with Salahaddin University in Erbil and the American University of Iraq in Sulaymaniyah (AUIS).

Upcoming next quarter

In the upcoming quarter the project will continue to engage the Ministry of Higher Education (MoHE) by scheduling meetings where they are debriefed on any new university partnerships initiated by the Component. The Component will also report out and share with the MoHE its findings from the daily and final evaluations conducted from the upcoming ToT workshops. Workshops are being delivered to address the banking and finance deficiencies found in the Gaps Analysis.

D 3.1.2: Upgrade existing finance and business programs and introducing new programs. Conducting faculty training, upgrading course materials, introducing international standards for project administration and accreditation, facilitating partnerships with regional and U.S. universities

Completed during this quarter

During this quarter the University of Dubai delayed their site visit to April 15-20, 2012 due to security concerns. However, The University of Dubai was able to conduct a series of video conferences together - and separately - with Al Mansour University College and Baghdad University. With each, Dubai discussed the establishment and structuring of a center for internships, scholarships, and professional career services. They also discussed the formation of the Business Advisory Councils that would advise on each Centers' structure and operating practices. University of Dubai discussed with Al Mansour University Colleges its progress in refining the mission, vision, and objectives of its self-assessment report for the Association to Advance Collegiate Schools of Business (AACSB). A delivery date for completion of the Self-Assessment Report has been set for March 30.

Shippensburg University revised its return visit date to Baghdad College of Management and Economics from May to April 8-13, 2012. Shippensburg University has confirmed these dates by purchase of airline tickets. To collect data on the "Center for Excellence in Teaching", Shippensburg University's Dr. Melodye Wehrung conducted a survey questionnaire of faculty from the Post Graduate Institute of Higher Studies Accounting and Finance. With the assistance of Dr. Muwafaq Abdul Hussein, Dean of the Post Graduate Institute of Higher Studies in Accounting and Finance, faculty was queried on their teaching methods, teaching resources currently available, teaching resources desired, and institutional support for teaching innovation and teacher development. The questionnaire was distributed to 25 faculty members and 24 responded. The Component scheduled meetings with Baghdad University's Office of the President and also with the Ministry of Higher Education (MoHE) for Shippensburg University's Dr. Sarah Bryant who is collecting data for the proposed feasibility study for a "Center for Excellence in Finance and Banking Education". Dr. Bryant has prepared a series of questions for three audiences impacted by the Center for Excellence in Banking and Finance, the Ministry of Higher Education, the High Institute of Finance and Banking, and the members of the Iraqi business community. These meetings will formalize the relationships that could establish this premier, "Center of Excellence in Finance and Banking Education" for Iraq.

Upcoming during next quarter

During the next quarter the Component will assist its Iraqi partner institutions in delivering a series of Training of Trainers (ToT) workshops. Instructors of these workshops are participants who attended the Component's December 18-22 "Current Issues in Banking and Finance" and have agreed to hold these instructional workshops for their banking and finance teaching colleagues. Workshop content will be provided from the Component and is taken from materials of the December 18 -22 "Current Issues in Banking and Finance" workshop.

- *Begin dialogue with university administration of the Partner Colleges on requirements for international accreditation*

Upcoming during next quarter

During the next quarter the Component will continue to schedule meetings with the deans from the Iraq partner universities and colleges to communicate the AACSB requirements and standards for international accreditation. Working as the liaison between AACSB and the Iraqi partner universities and colleges, the Component Deputy Director will ensure that all AACSB correspondence is received, interpreted correctly, and responded to in a timely manner. Additionally, the Component Deputy Director will ensure that any and all materials and documentation required by the executive offices of AACSB are completed and properly submitted to the AACSB. Lastly, The project is sponsoring four deans of Iraqi Universities who will attend a 3 day AACSB conference in San Diego, California from April 28-May 1.

In order to monitor and evaluate the progress of Business Advisory Councils status at Baghdad University and Al Mansour University College, the Component will request updates and invitations to any meetings that the Iraq partner universities and colleges hold with their Business Advisory Councils.

D 3.3.1 Mechanism for cooperation between the private sector and the Partner Colleges in Place

- *Provide guidance and facilitate the formation of the Strategic Advisory Joint Council*

Completed during this quarter

In addition to the above activities, Component III continued to work closely with Component I to create opportunities for interaction in regards to future Joint Council events, workshops, lectures, and networking luncheons. The first meeting of the Joint Council was arranged in March where the private banks were asked to provide internship and job opportunities, fund scholarships or promote academic opportunity for highly qualified candidates, serve on advisory boards of the internship and professional career services centers, and serve as information or data resources for faculty conducting research.

Upcoming during next quarter

The Component will hold the first working meeting in April between the 4 Deans and the Federation of Iraqi Private Banks. The purpose of the meeting will be to actualize the activities as spelled out in the Letter of Cooperation that established the Joint Council. These activities will include such things as the sharing of ideas between the private banking sector and the colleges with a view toward providing banking industry input and support the continuous improvement of the finance and banking curriculum within the Colleges. It is also to have the banks participate in speaking engagements at the Colleges. The Component will schedule quarterly meetings from here on out.

D 3.3.2 “Initiatives and pilots that support student opportunity, such as scholarship and internship programs, career development centers, and entrepreneurship centers”

Completed during this quarter

In this quarter the University of Dubai advised Baghdad University and Al Mansour University College on the establishment of internship, scholarship, entrepreneurship, and career development centers. Baghdad University and Al Mansour University identified existing internal staff acting as intern and career placement and development mentors. The Component requested Dubai University to do a site-visit hosting session for Dr. Ahmed Nezar, Chairmen of the Student Services Consultant, Baghdad University and Dr. A. Keel Dawood of Al Mansour University College. A site-visit to Dubai will provide them with first hand-exposure to the University of Dubai Intern and Career Development Center and how to apply their best practices to the internship, scholarship, and career development centers at Baghdad University and Al -Mansour University College.

Upcoming during next quarter

In the coming quarter Dubai University has proposed to deliver at Baghdad University and Al Mansour University College a series of workshops that will give guidance to interns and internship providers. Workshops will include topics such as: How to increase personal effectiveness & leadership skills; Leadership skills for business owners; creativity and innovation; Execution: Discipline of Getting Things Done; Winning Employees Loyalty and Customers Loyalty; Effective & Powerful Presentation skills/master the power of public speaking.

IMPLEMENTATION ISSUES AND CHALLENGES FACED

Challenge: Component 3 continues to be challenged by difficulty in ease of travel to attend meetings in Baghdad. Because of the increased security risks of travelling outside of the Mansour compound, the Iraq Financial Development projects expatriate staff that are called upon are often hindered by movement challenges to meet face-to-face with key decision makers who influence or affect the program. This challenge also greatly impacts the Component's Iraqi national staff who are called upon to arrange meetings and to travel to venues throughout the metropolitan area on a daily basis.

Solution: Component 3 is overcoming this challenge by increasing its use of information technology including Skype and video conferencing, requesting more meetings at the Mansour compound, and the use of highly reliable Iraqi national staff to represent the Component's work outside the compound.

Challenge: Component 3 is challenged by the lack of sufficient meeting space at the Mansour compound. Often over-booked, current conference facilities are limited to relatively small groups.

Solution: Component 3 has collaborated with other projects that have facility meeting room space on the Al Mansour compound.

CROSS COMPONENT ACTIVITIES/SYNERGIES (ALL COMPONENTS)

All Components work with the legal team which provides expertise and guidance on legal, regulatory and procedural matters. For Component 1, the team supports the legal/advocacy efforts of the Federation and assists with Federation legal registration requirements. For the Component 2 Retail Payment System, documents drafted or reviewed included: the New Instruction on Retail Payment Services: Regulation of Payment Services; License agreement for CBI with organization which will build and operate the RPS; the CBI RPS RFP; the use of the 2008 instruction on issuing government contracts; a 43-page draft regulation of the Iraqi Payment Services provider and a non-legal code of banking practice.

Components 1 and 3 assisted university deans from Baghdad University, Mansour University, Al Mustansiriya University, and the Banking and Finance Institute to sign a letter of cooperation with the Federation bankers to support improved banking education and internships.

GRANTS MANAGEMENT

USAID/Iraq designated \$5 million of the total activity budget for grants to be awarded during the contract years that would support the activities under all three Project Components. The grants project is designed to encourage competition when appropriate and to support Project counterparts through various activities including but not limited to trainings, conferences and workshops, policy research and analysis, public education campaigns, additional stakeholder events, scholarship and internship programs, and the establishment of career development and entrepreneurship centers, and a university linkages project.

At the end of this quarter the Project had 29 grants under development totaling \$6,131,950. From this total amount the projected grantee contribution is \$1,316,664. A complete list of all Grants activity is found in Appendix B, Grants Forecast.

During this quarter the total number of approved grants remained ten with a total value of \$2,008,081 and from that total \$472,477 was grantee contribution.

COMPONENT 1:

Three of the four grants supporting the Federation of Private Iraqi Banks were completed this month to furnish office space on time and within budget. The local Federation staff have been supported in their initial start-up and are now supporting Federation Member's activities.

COMPONENT 2:

No grants were considered or approved for this activity during this quarter.

COMPONENT 3:

Three of the five approved grants in this component are for one year support to get the AACSB accreditation process started for three Iraqi Universities. Activities towards their registration have continued during this quarter, and they are planning to attend the annual worldwide AACSB conference in April as noted in the Grant Agreement.

Two Fixed Obligation grants to support two of the three Universities are 24 month efforts and the two external Universities to whom these have been awarded have both made visits to Iraq this quarter, completed the first of the milestones in the grant, and anticipate reaching second milestone completion shortly.

MONITORING AND EVALUATION

This reporting period marks the second quarter of the 2nd year of the project. PMP indicators that had no planned performance until year 2 are included in the report. The tracking sheets for all indicators being monitored in Year 2 are found in Appendix C, PMP Indicator Tracker and a complete description and calculation formulas for all project indicators can be found in the PIRS documents for each indicator that are included in Appendix D, Project Year 2 PMP.

RESULTS-LEVEL (MACRO) INDICATORS

There are five approved Results-level indicators for the project:

- LT1-Increased loans to the private sector as a % of GDP;
- LT2- Loans from Private Banks to the Private sector as a % of all loans to the private sector;
- LT3- Interest Rate Spread
- LT4- Credit Extended by the Private Banks by sector as a % of total credit provided by the private banks; and,
- P1 – Loans by Private Banks to the private sector as a percent of total private sector deposits held by the commercial banking sector (Loan to Deposit Ratio).

As reported in the previous quarterly report for the period ending January 31, 2012, the data acquisition for these indicators is available annually and will be reported on an annual basis or as data is made available from the Central Bank of Iraq and/or World Bank. Data for 2011 is not available as of this reporting period but is expected to be available within the next two quarters, as was the case for baseline data for these results-level indicators that was reported in the 2011 annual report. Upon publication of 2011 data the results will be reported in a separate Monitoring and Evaluation report on Results-level indicators and included in the next scheduled Quarterly report. The results level indicator data for these indicators remains unchanged from the last quarterly M&E report and is repeated here for continuous reference purposes only.

LT1: Increased loans to the private sector as a % of GDP and LT2: Loans from Private Banks to the Private Sector as a % of all loans to the private sector

As of December 31, 2010 domestic credit to the private sector was 8.9% of GDP in 2010, up from below 3.9% in 2008; the 2010 average for the Middle East North Africa (MENA) region was almost 46%¹. Though the trend is moving in a positive direction it has much improvement to make if it is to catch up to the regional average.

More telling of the role of private banks in financing the private sector economy is that Private Banks provided 34% of all loans to the private sector, indicating that though the private banks have only 10% of the total assets of financial sector, they provide 1/3 of all loans to the private sector. In 2008, the private banks provided 28.9% and in 2009 it was up to almost 42%. The decrease in this indicator from 2009 to the baseline year of 2010 is because of an increase in loans by the state-owned banks because credit

¹ World Bank Data Catalogue www.data.worldbank.org

provided by the private banks to the private sector actually increased from \$1.65 billion USD in 2009 to \$2.45 billion in 2010, an increase of almost 67%.²

The following table shows all data and the calculations for both LT1 and LT2 as of Dec 31, 2010.

Year	Total credit extended to the Private Sector ³	total Credit to the private sector by Private Banks	CBI GDP	World Bank GDP ⁴	Private Sector Loans as % of WB GDP	Private Sector Loans as % of CBI GDP	Private Bank Loans as a % of All Loans
2008	\$3,334,703	\$965,049	\$130,747,695	\$86,530,784	3.9%	2.6%	28.9%
2009	\$3,971,083	\$1,647,689	\$119,085,470	\$65,837,435	6.0%	3.3%	41.5%
2010	\$7,288,146	\$2,465,239	\$146,971,774	\$82,150,313	8.9%	5.0%	33.8%

The data for 2011 will be reported separately in a special report and in the next scheduled quarterly M&E after the data is published.

LT3: Interest Rate Spread

The interest rate spread is the difference between the average interest rate on loans to prime customers and the average interest rate on deposits in the banking system. This indicator reflects the combined effects of five factors: innate lending risks due to structural characteristics of the economy; the cost of bad debts due to poor lending decisions, perhaps resulting from political pressures or corruption; uncertainty due to weak credit information systems or collateral mechanisms; market power in the banking system, reflecting a lack of effective competition in the financial markets; and, high operating costs in intermediating deposits into loans. Relatively high values are a sign of inefficiency in the banking system or poor institutional foundations for the development of the financial markets.

As of baseline period ending December 31, 2010, the interest rate spread in Iraq was 7.65%, down from a high of 8.28% in 2008. Though the trend appears to be decreasing after highs reached in 2007 and 2008, it is nonetheless well above a regional average of about 3% and MENA average of about 4%. It will be interesting to observe the changes in this indicator in 2011 with the departure of international military forces on December 31, 2011.

LT4: - Credit Extended by the Private Banks by sector as a % of total credit provided by the private banks

In a more robust and diversified banking sector such as Jordan or in the USA, concentration of credit is a more evenly divided. Therefore, This indicator reveals the existence of any concentration of credit in Iraq. High concentrations of credit in a particular sector subject the Private Banking sub-sector to the risks associated to the particular sector where the credit is concentrated. (i.e. high concentrations of credit in the agriculture sector subject lenders to the same risks such as crop loss from weather, disease and insects and market price risks). A High standard deviation signals the existence of a concentration of credit, high risk. A low standard deviation indicates less concentration, lower risk. Through training and education and improvement in collections/risk management as well as external improvements like electricity,

² CBI Annual Reports for 2010 and 2009

³ CBI Annual Reports for 2010, 2009 and 2008 were used for all loan data in calculating LT1 an LT2

⁴ World Bank Data Catalogue

security and infrastructure this distribution should level out and become less concentrated in any particular sector of the Iraq economy.

The baseline year, 2010, showed extremely high concentration of credit in the wholesale, retail and trade sector (57%). At the other end of the scale, Agriculture was at 1.35%, building and construction was under 11%. The closest sector recipient of credit was social services at just under 16.68% followed by building and construction. The over-all standard deviation across all sectors was 17%, down from 20% in 2009.

P1: Loans by Private Banks to the private sector as a percent of total private sector deposits held by the commercial banking sector (Loan to Deposit Ratio)

The Loans to the private sector as a percent of private sector deposits of the Commercial Banking sector (Loan to Deposit Ratio) is a very strong indicator that reflects the actual financial intermediation (converting deposits to loans) that is taking place in the Commercial Banking sector. In western, developed countries a loan to deposit ratio of 65-70% is considered an acceptable level, yet loan to deposit ratios over well over 100% are not uncommon. A low loan to deposit ratio relative to regional or international benchmarks directly correlates to ineffective financial intermediation.

The calculation of this indicator ratio includes the private sector deposits held at state-owned banks AND private banks because prior to 2010 this was the only reliable data that was available. This inclusion of state-owned bank deposits distorts the loan deposit ratio for only the private banking sector. As of 2010 however data for both deposits and loans is now available, improving the usefulness of this indicator. As of December 31, 2010, the loan to deposit ratio of the private banking sector was an unexpected 52.58%. By including the private sector deposits at the state-owned banks in the loan to deposit calculation, the distortion becomes clearly evident: 20.81%.

USAID and project management should discuss this indicator for possible changes.

PERFORMANCE (OUTPUT) INDICATORS BY COMPONENT

OVERVIEW OF COMPONENT 1

It appears that the critical areas in component 1 in regards to the Federation of Iraqi Private Banks reported in the previous quarterly report are well on the way to be resolved. The Federation management appears to have resolved registration issues that will cause the paid-in capital to be released within the first few weeks of April 2012. Also, the previously reported critical weakness in owner rights to oversee management is being addressed by the owners and will be resolved by converting the Federation from an LLC to a joint stock company, which will also afford unlimited membership/ownership. These changes have also softened the position of one disgruntled founding member.

The issues with the Public-Private task force remain unchanged. Per the project contract the Task Force membership includes representatives from the private sector and Government of Iraq, including front line Ministers. As it was at the end of the previous quarter the appearance political uncertainty/upheaval in Iraq may make forward progress with the Task force difficult, if not impossible. It will be up to USAID and Project Management to determine if this activity should be modified to re-define the make-up of the task force.

Indicator 1.1.2: Bankers Association Financial Sustainability

As of March 31, 2012, the Federation of Private Banks had verified paid in shareholder equity of approximately \$1.1 million USD. As previously reported, this investment by member banks continues to be a remarkable achievement, and clearly demonstrates the members' commitment to the creation of a sustainable entity to represent the private banking sector. The funds are being held in an escrow account, and are due to be released in April 2012. At the end of this reporting period, however, the funds have not been release, and are not available to be used for development activities. This development makes the sustainability outlook of the Federation much more positive. Equally positive is the Federations efforts to move forward with conversion to a joint stock company legal structure that will significantly improve the governance issues. As a result, the shareholders will then have considerably more direct oversight with respect to management's use of the investment funds. Though these efforts indicate significant improvement is imminent, both the access to, and use of Federation funds are nevertheless being monitored very closely to insure that the expected performance estimates are accurately reported so that pre-emptive actions can be taken to mitigate any problems that may arise.

Indicator 1.1.3: The number of Institutional Owners of the Federation of Private Banks

This indicator has become irrelevant due to the fact that the Federation was registered, with USAID prior approval, as an LLC and not an association, as originally intended. Legal limitations in the number of members will be removed with the conversion from an LLC to a Joint Stock company and the change in will be reflected in the PMP indicator once the conversion is completed. Following the Federations recognition by the Union of Arab Banks and the Turkish Bank Association, the greater majority of the private banks that are not currently members, have begun to indicate a very strong interest in joining the Federation. Once converted to a Joint Stock company and the previously mentioned membership limitations are removed, the target for this will need to be adjusted to reflect the growing interest of non-member banks and limited only by the number of private banks licensed in Iraq.

Indicator 1.1.4: Overall Member Satisfaction of Bankers Association effectiveness

Due to the registration of the Federation as a for-profit LLC, this indicator was changed at the end of Year 1, to measure owner satisfaction, which is more accurate under the circumstances. As a result, the original method of measurement, a satisfaction survey, has been changed to measuring members active participation in the management of the Federation. (See PMP PIRS). It should be noted that one member bank, Dar es Salaam has verbally expressed its dissatisfaction with the management of the Federation. Dar es Salaam's dissatisfaction as a member raises a unique problem as it also serves as the bank the holds the escrow of Federation funds and has been unwilling to release them. This situation has highlighted the critical connection between governance and finance operations performance with member satisfaction. The concerns raised by Dar es Salaam have been addressed by cognizant Project and Federation personnel during the 2nd quarter and are expected to be resolved very soon. As of the end of the reporting period, Dar es Salaam is reported by the Federation to have considerably softened its position and may not withdraw its support and membership after all.

Indicator 1.2.1: Number of policy research documents, public-private dialogue sessions, advocacy campaigns and public education measures

The Federation has started to publish a monthly newsletter to disseminate information on the banking industry in Iraq. With the beginning of this publication, measurement of this indicator began in the first

quarter of FY 2012. The target for the year is 12 documents, dialogue sessions, etc. Coupled with anticipated policy meetings with CBI and other GoI ministries, the start of regular newsletter publication validates the target. Additionally, the project mobilized a communications STTA consultant in January, 2012 to assist in expanding the capabilities of the Federation to make additional progress with this indicator and will assist in the implementation of the Federation's communication policy in the next quarter.

Indicator 1.3.1: Number of Public-Private Task Force events carried out for the purpose of bringing about necessary changes in the commercial banking sector.

Work continues on the establishment of the public-private task force to focus on reforming the banking sector in Iraq. At the end of the reporting period, however, the Task Force issues remain unchanged from the last quarterly report. While project personnel remain optimistic that the Task Force will be formed in the near future, the political uncertainty that prevails within the GoI could very well delay progress further. There is particular concern that critical GoI ministers are subject to frequently change, subject to sudden and unexpected whims of the President. Further discussions with USAID and project management are warranted to resolve the impasse or possibly redefine the participant composition of the Task Force to move this activity forward and avoid continuing delay.

Indicator 1.4.1: Number of official linkages established between the Iraq Banker's Association(s) and Regional and International Bankers associations as a result of USG assistance.

As reported last quarter, The Project assisted the Federation to initiate linkages with the UAB and other banking associations on both the international and regional levels. International linkages were fostered at the project-sponsored CBI conference held in Istanbul, Turkey, in December, 2012. This was followed by Regional relationships initiated at the annual meeting of the Union of Arab Banks (UAB) held in Beirut, Lebanon where the Federation was named the official voice of Iraqi private banking by the UAB and will serve as the primary conduit for Iraqi private banking relationships in the region. This quarter the Federation continued those effort by laying the ground word for future collaboration with the Turkish Bank Association aimed at increasing business ties as well as establishing training opportunities in Turkey for Iraq Bank staff. Though the process of developing the relationships established past quarter has shown increasing activity, no new linkages were made during this reporting period.

Indicator 1.5.1: Four to Five targeted policy, legal, regulatory or administrative reforms are identified and reform efforts initiated.

Effecting policy, legal, regulatory and/or administrative reforms in a transitional environment such as Iraqi will take time. The Legal/Regulatory Committee the Federation has been formed and is taking action that is expected to have measurable results within the next year. Of the 36 reform areas identified through project assistance, four priority reforms have been selected for further action plan development. The M&E office is expecting that the legal/regulatory committee of the Federation will soon identify the formal, measurable efforts that will be initiated, new indicators added to the PMP and tracked by the project.

OVERVIEW OF COMPONENT 2

There are five indicators with targeted progress in year 2 of the project for component 2 that are associated with: establishing an Iraq Credit information bureau, an Iraqi Bankers Training Institute (BTI), completing phase II of an efficient retail payment system and submitting an RFP to the CBI for a CORE banking system. Each of the indicators being tracked in this regard are discussed below.

There is a critical delay being experienced by the project on the implementation of the Retail Payment System. The delay is the result of the Central Bank of Iraq's failure to issue the RPS RFP. The CBI has had the RFP documents available since December 2012 and still have not issued the RFP. The CBI has raised questions about the legality of the CBI's authority to issue the RFP and govern the Retail Payment System. Though the project advisor and sub-contractors have been assisting the CBI to resolve the issue, it nevertheless remains an area of concern that is beyond the direct control of the project. Further delays will continue to push completion of Phase II back further than expected. This priority situation is being monitored and immediate action is being taken whenever and however possible.

Indicator 2.1.2: Milestones to putting the legal and regulatory framework in place and making a credit bureau operational.

There are 8 milestones toward achieving a fully functional Iraqi credit information bureau spread across the first three years of the project. In year 1, milestones 1-3 were completed:

1. Public-private Steering Committee for Design of Credit Bureau Established
2. GOI Commitment Confirmed
3. Iraqi Driven Credit Bureau Business Plan and Model Developed

The remaining five milestones below are to be completed in years two, three and four of the project, all of which are in the USAID approved work plan:

4. Legal and Regulatory Requirements for Credit Bureau Identified and Recommendations for Needed Changes Drafted - D 2.1.4, year 2
5. Public Education Campaign(s) Launched to Inform Public About the Role of a Credit Bureau in the Financial Sector – D 2.1.5, year 2
6. Sources of Data and Data Requirements for Launch of Credit Bureau Resolved – D 2.1.6, year 3
7. Legal and Regulatory Requirements for Credit Bureau are implemented – D 2.1.7, year 3
8. Credit Bureau Operations Initiated – D 2.1.7, year 4

With the departure of the Technical Advisor for the Credit Bureau activity along with the project legal advisor, progress on year two deliverables has been delayed until the next quarter. As of the end of the reporting period, #4 is expected to be completed in the 3rd quarter rather than the 2nd and will be submitted to CBI for approval. Likewise, the public education campaign (#5) has been rescheduled for the third quarter and IT personnel are working on resolving the issues with data sources and requirements (#6). Though the delay is cause for concern, measurable progress on both indicators is nevertheless expected in the 3rd quarter.

Indicator 2.2.1: Milestones to measure the steps necessary to establish The Bankers Training Institute that is sustainable and an effective industry training mechanism.

Having completed D2.2.1, The Business plan and model for the BTI, in year 1, there are three indicators in Year 2 which are direct project deliverables: D2.2.2 The Bankers Training Institute is established;

D2.2.3 Training of Trainers and Curriculum Development Underway; and, D2.2.4 Regional linkages to other bank training institutes established.

All parties to the BTI are actively working to staff the BTI and establish office and training space for the BTI. However, until the BTI is fully staffed and operational with its own bank accounts, the BTI cannot be identified as being “established”. The legal status of the BTI is established by virtue of Law #36 of 1999, Centers for Bank Studies but it remains unclear if there is more that is needed for the BTI to be recognized as a legal entity. A legal review/opinion should be obtained to verify this issue.

Regardless of the formal “establishment of the BTI”, the first TOT training courses were completed along with MS Office for Bankers and English for Banking courses with significant participation by the private and state-owned bank, 195 attendees, more than 65% women. Coupled with additional curriculum being added, progress is moving forward with this deliverable and milestones.

Indicator 2.2.1a: Bankers Training Institute Sustainability Ratio

Until the BTI is operational including a verifiable accounting system, the Sustainability Ratio cannot be calculated at this time. However, the BTI staff expect to have a fully functional accounting system and begin formal operations before the end of the year which will then allow for a reasonably reliable sustainability ratio to be estimated and tracked.

Indicator 2.3.1b: Phase II Completed (RPS)

There are 19 milestones to mark progress for the completion of Phase II of the RPS in year 2 that are sub-activities of two primary work plan activities as shown in the following table:

2.3.2.1- Participate in the Selection Process of a National Switch Provider
a) Develop a detailed statement of requirements for the National Card Switch based on the conceptual specifications
b) Draft terms and conditions for RFP
c) Agree RFP process with CBI
d) Assist with preparations of a request for proposals (RFP)
e) Refine and complete RFP document
f) CBI Invite Proposals and Issue RFP (listed in WP but work done by CBI)
g) Support CBI in the review of proposals from providers
2.3.2.2- Enhancements of the IPS Infrastructure to Support Retail Banking
a) Conduct Operational Readiness Training(s) for CBI / System Operator Management and operations team
i prepare training materials
ii Preparing statistical data from IPS systems
iii Suspicious transaction reporting - responsibilities, detection, action

iv Storage of sensitive data - data protection
v System Rules and their maintenance
vi Managing participation in MPS
vii Setting agent, merchant and subscriber terms and conditions
viii Business / Pricing model, setting fees and charges
b) Grant Funded Training (subject to Grant Funding Approval)
i Business model for banks
ii Study tour re operational and legal aspects of retail payment systems

As of the end of the reporting period, 2.3.2.1 a-e in the table above have been completed. The critical problem comes from delays in the release of the RFP by the CBI, 2.3.2.1(f). With the release of the RPS RFP and award of a contract, a very critical step will have been achieved and training can commence under activity 2.3.2.2. However, the success and timely completion of this activity is now solely dependent upon the action of the Central Bank of Iraq to release the RFP. Continued delays by the CBI to release the RFP will adversely affect the near-term progress to achieving this critical project activity. With barely more than three months before the contract anniversary, it is unlikely that Deliverable (D2.3.2- Achievement of phase 2 tasks for the retail payments system) will be achievable on time due to the CBI delays. A more realistic approach is to move a portion of the indicator milestones into the first or even second quarter of FY 2013.

Indicator 2.4.1: CBI has a complete Request for Proposals for CORE system that could be issued for bid⁵

This indicator is also a direct contractual Intermediate Result, IR2.4 but it not associated with any deliverable of the project. There are 7 milestones to achieve this result, all in year 2:

1. Draft Request for Information (RFI) to distribute to companies providing Core Banking Systems for Central banks to gather information regarding their systems, needed for inclusion in the RFP
2. Incorporate standard RFP sections already approved from review of the RPSI RFP
3. Issue RFI, and analyze the responses
4. Create IT assessment tool to determine current IT status at CBI main offices and branches, to obtain information to be included in the RFP
5. Obtain approval from CBI to assign resources to perform the IT assessment, train the resources, and execute the assessment.
6. Translation of the RFP (subject to timely translation service); and,
7. Submit the Arabic and English version of the RFP to the CBI to issue the solicitation.

During the preparation for the RFP, the CBI has elected to ignore or otherwise omit the Request for Information (RFI) process and move forward with only the RFP. This has effectively modified number 1 to go directly to drafting and RFP and eliminated number 3.

⁵ This Intermediate Results is *only* for the preparation of the RFP. It does *not* include assisting the CBI with modifying or issuing the RFP.

As of the end of the quarter, a modified version of milestone 1, 2, 4 and 5 have been completed. Steps 6 and 7 were completed as far as possible by the end of the reporting period. There remains only additional input/clarification from the CBI on the operational section of the RFP for this deliverable to have been met. As with the RPS RFP, however, input from the CBI is delaying completion.

OVERVIEW OF COMPONENT 3

Component 3 performance for year 2 of the project are measured by eight indicators, 3.1.2/ (F4.3.2-1), 3.1.3, 3.1.6, 3.2.4, 3.3.1, 3.3.1a and 3.3.1d. Indicator 3.1.3 is also separately measured by an F Indicator shown in the PMP as 3.1.2. Except for the disaggregation by Gender, this F indicator is duplicated in the component 3 PMP for management purposes.

Indicator 3.1.3: Number of senior faculty from Partner Colleges trained in curriculum by regional/international Partner universities

This indicator feeds directly into indicator 3.1.2/F4.3.2-1 Number of Financial Sector Professionals trained on international standards this year with USG assistance. Collaborating with Component 1 and the Federation of Iraqi Private Banks, component 3 provided the program and speaker for a Federation sponsored, 1-day “Three Pillars of a Sound Banking System” seminar. The event was attended by 112 people (109 men/3 women) from both state and private banks. This same type of collaboration is expected in the future; therefore, targets for this indicator should be revisited prior to the annual update to the PMP targets.

Indicator 3.1.6: Number of Iraqi Colleges of Economics and Administration accepted for membership for accreditation in AACSB

As expected, official notice was received early in the reporting period that two Iraqi Universities have been accepted for membership with the AACSB. What is perhaps more important than meeting this target is the effect it has had of increasing the interest of other Iraqi Universities in this project activity. Though PMP targets will remain unchanged, it will be interesting to monitor any unexpected progress during the remainder of FY 2012.

Indicator 3.2.4: Number of partnership agreements between Iraqi Partner Colleges and Regional/international educational institutions

The year 2 target for this indicator has been achieved.

Indicator 3.3.1: Sustainable Joint Council (Education/Private Banks) established within the organizational structure of a private bank industry association.

There are four milestones to measure this activity: 1. Education/University Partners are Identified; 2. Three Partner Universities become Letter of Cooperation signatories to establish a joint council of educators and Private Bank leaders appointed by a Private Bank Industry Association; 3. Private Bank Industry Association appoints representatives to the Joint Council; and, 4. The Private Bank Industry Association establishes the Joint Council as its strategic educational advisory committee within its organizational structure, thereby insuring the Joint Council's legitimacy and sustainability. As of the end of the quarter milestones 1 and 3 were completed. On January 3 of this quarter, milestones 2 and 4 were

completed; the deliverable has been met, subject to on-going activity monitoring/reporting of Joint council activities.

Indicator 3.3.1a: Number of internships and scholarships to students from the Partner Colleges Co-funded by the private sector (disaggregated by type of sponsorship, gender 3.3.1b &c)

The joint council is expected to engage in this activity. Also, the Career development centers (Centers of Higher Learning – Finance and Banking) being formed will also contribute to this activity as well. Both of these activities are just beginning so measurable progress is not expected until later in the year.

Indicator 3.3.1d: Number of Career Development Centers established at Partner Colleges

The University of Dubai and Shippensburg University are working with Baghdad University and Al Mansour University to establish Career development centers at their respective schools. Progress is expected to be measured later in the year on this indicator.

OPERATIONS AND ADMINISTRATION

OPERATIONAL ACTIVITIES TO DATE

OVERVIEW OF VISA AND BADGING ISSUES

Visas continue to be a challenge for the project. During this reporting period the MoI began issuing 3 month multi-entry visitor visas. While this represents a step forward in the visa process, the short-duration nature of the visas requires personnel to exit and re-enter the country. As a solution, the project is pursuing 1 year multiple entry visas with the MoI directly and with potential sponsorship by the CBI; while these have not yet been issued, we remain optimistic.

OVERVIEW OF FINANCIAL, ADMINISTRATIVE, AND SECURITY OPERATIONS

Ernst & Young, LLP initiated an audit on behalf of the Defense Contract Audit Agency (DCAA) of costs incurred and paid within Iraq in January; the report associated with this audit has been released during this reporting period and a response is currently being drafted. While the response is in the draft phase, the audit report does not indicate any material issues with regard to the financial operations of the program. The scope of the audit was from Project inception through December, 2011.

The Project recruited a new Chief of Party responsible chiefly for the overall management of the project during the reporting period, who will mobilize in April. The project also recruited a Component Director for Component 2 who will begin in April.

SGS continued to pursue renewal of its license to provide mobile security detail. SGS continues to provide available teams from other licensed firms to the Project and as a result, the Project's movements have been moderately impacted. The Project continues to monitor the unfolding events associated with all security firms' licenses on a daily basis and AECOM corporate management is closely involved in this process as well.

MANAGEMENT STAFFING PROGRESS TO DATE

OVERVIEW OF VISA AND BADGING ISSUES

Visas continue to be a challenge for the project. During this reporting period the MoI began issuing 3 month multi-entry visitor visas with the support of the CBI. While this represents a step forward in the visa process, the short-duration nature of the visas requires personnel to exit and re-enter the country.

OVERVIEW OF FINANCIAL, ADMINISTRATIVE, AND SECURITY OPERATIONS

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The Project recruited a new Chief of Party – Richard Smith-- who will mobilize in April. The project also recruited Musab Al-Kateeb, Component 2 Director; Arthur Dimas, Legal and Regulatory Specialist; Leslie Rose, Communications, Public Outreach and Media Specialist; and, Christopher August, Financial Sector Policy and Banking Specialist – all of whom will begin in April. In April, Abdul G. Mughal, Curriculum Design Advisor will also be re-joining the project.

SGS continued to pursue renewal of its license to provide mobile security detail. While SGS continues to provide available teams from other licensed firms to the Project, the Project’s movements have been impacted. The Project continues to monitor the unfolding events associated with all security firms’ licenses on a daily basis and AECOM corporate management is closely involved in this process as well.

MANAGEMENT STAFFING PROGRESS TO DATE

On an STTA basis, the project engaged Moyara Ruehsen as the Faculty Consultant for Component 3. As such, Ms. Ruehsen conducted a seminar and meeting with Iraqi University personnel on finance and banking education. Andrea Camoens continued to fill in as the Acting COP during the reporting period while awaiting the arrival of the new COP in April. Alex Auman completed an STTA assignment as the Acting PMU Director, assisting with completion of the previous Quarterly Report and various other project reports and deliverables.

The project’s CCN personnel team was joined this quarter by Ali Samir as the HR Manager, Wid Akram as the Administrative Assistant, and Sahar Jalal as the Senior Technical Expert for Task 1.

SUBCONTRACT MANAGEMENT

As of the date of this report, the USAID/Financial Development Project has been working with the following subcontractors: The Louis Berger Group (LBG); 4Points; Monetics; sYnergy; and Sallyport Global Services (SGS).

FINANCIALS BILLED AND ACCRUALS TO DATE

A	B	C	B+C = D	A – D
Total Obligated Amount	Total Amount Invoiced as of the date of this Report	Accrued Expenses through December 31, 2011	Total Actual Expenses	Estimated Remaining Amount of Obligated Funds
\$31,600,000	\$13,693,622	\$1,075,814	\$14,769,436	\$16,830,564

Annex A:

Work Plan Activity Chart – Year 2

Annex B:

Grants Activity Chart

Component 1													
Component 2 Grants Forecast - Iraq Financial Development Project													
Component 3													
Grant Number (ex. GR-002-001)	Proposed Activity	Date COP Approved	Date USAID Approved	Location of Activity	Approximate timing	Estimated Amount from IFSD (USD)	Approximate Cost Sharing Amount (USD)	Gol Counterpart providing Cost Sharing Estimate	Duration	Does it require Mission Waiver?	Intermediate Results Codes (IR)	Approved	
												Yes	No
GR-C01-002	Bankers Study Tour Sweden			Sweden	Sep-11	\$150,000	\$40,000	New Banking Association	7 days	Yes	1.4		1
GR-C01-003	Managing Director training for Bankers Association Director			Association Offices Sweden / Lebanon	Oct-11	\$40,000	\$5,000	New Banking Association	2 weeks	Yes	1.1		1
GR-C01-004	Federation Site Rehabilitation and Renovation	22-Sep-11	22-Sep-11	Baghdad	Sep-11	\$110,730	\$90,000	Private Bankers	3 Months	No	1.1	1	
GR-C01-005	Federation Site Equipment Fit Up	22-Sep-11	22-Sep-11	Baghdad	Oct-11	\$145,030	\$2,000	Private Bankers	3 Months	No	1.1	1	
GR-C01-006	Federation Initial Staffing	25-Oct-11	25-Oct-11	Baghdad	Oct 2011 - Dec 2012	\$199,800	\$7,800	Private Bankers	1 Year	No	1.1	1	
GR-C01-007	FIPB Sponsorship in UAB			Baghdad	Nov-11	\$75,000	\$2,300	FIPB	3 Months	No	1.1		1
GR-C01-008	FIPB Booth for UAB Annual Conference	25-Oct-11	25-Oct-11	Lebanon, Beirut	Nov-11	\$25,000	\$19,350	FIPB	3 Months	No	1.1	1	
GR-C02-001	Credit Bureau Study Tour	5-Jun-11	6-Jun-11	Lebanon, Beirut	June 27- July 2	\$37,155	\$68,965	Central Bank of Iraq (CBI)	5 days	Yes	2.2	1	
GR-C02-002	Bankers Training Institute Study Tour Nr. One			UK	Mar-12	\$150,000	\$40,000	Central Bank of Iraq (CBI)	10 days	No	2.2		1
GR-C02-003	Bankers Training Institute Study Tour Nr. Two			OMAN & Malaysia	Dec-11	\$155,435	\$96,185	Central Bank of Iraq (CBI)	7 days	Yes	2.2		1
GR-C02-004	Bankers Training Institute Mock up Bank			Baghdad	Feb-12	\$153,500	\$3,500	Training Institute	1 year	No	2.2		1
GR-C02-005	Bankers Training Institute Equipment			Baghdad	Jan-12	\$66,000	\$4,000	Training Institute	1 year	No	2.2		1
GR-C02-006	Bankers Training Institute Learning Resources Center			Baghdad	Dec-11	\$151,500	\$1,500	Training Institute Learning Resource Center	1 year	No	2.2		1
GR-C02-007	National Payments Council			Baghdad	Nov-11	\$144,886	\$88,540	Central Bank of Iraq (CBI)	1 year	No	2.2		1
GR-C02-008	BTI Physical Plant			Baghdad	Feb-12	\$291,600	\$40,000	BTI Baghdad	1 year	No	2.2		1
GR-C02-009	BTI Physical Plant			Basrah	Sep-12	\$214,800	\$40,000	BTI Basrah	1 year	No	2.2		1
GR-C02-010	BTI Physical Plant			Erbil	Jan-13	\$189,600	\$40,000	BTI Erbil	1 year	No	2.2		1
GR-C02-011	BTI Training Development			Baghdad	Sep-11	\$118,000	\$3,000	BTI Baghdad	2 Months	Yes	2.2		1
GR-C02-012	BTI Training Development			Basrah	Jan-13	\$68,000	\$72,000	BTI Basrah	1 year	Yes	2.2		1
GR-C02-013	BTI Training Development			Erbil	Jan-13	\$56,000	\$63,500	BTI Erbil	1 year	Yes	2.2		1

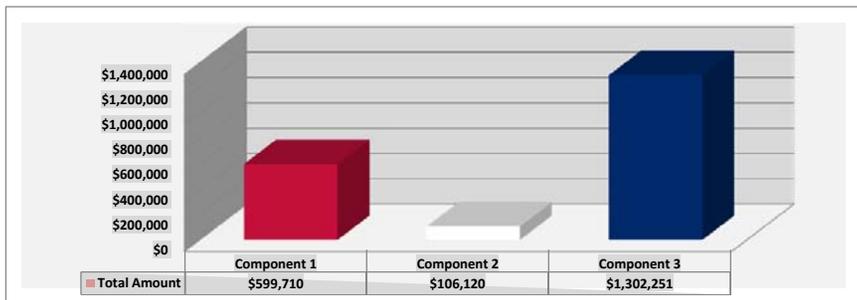
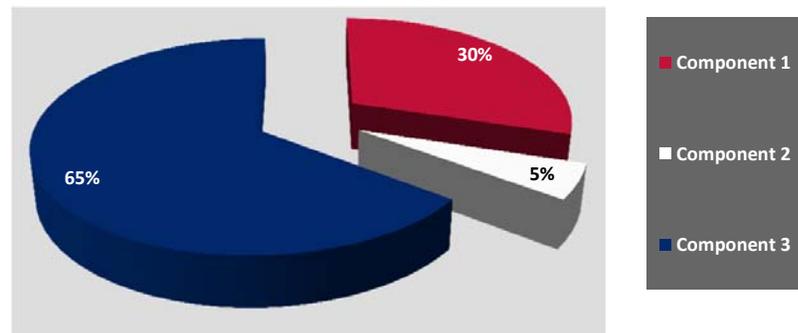
GR-C02-014	Retail payments stream - Maldives			Maldives	Dec-11	\$131,529	\$72,065	CBI	4 Months	Yes	2.2		1
GR-C02-015	Retail payments stream-Study visit to Istanbul for Bank senior executives			Turkey	Nov-11	\$173,569	\$79,659	CBI	8 Months	Yes	2.2		1
GR-C02-016	Retail payments stream-Business modeling workshops for CBI team-Turkey			Erbil	Oct-11	\$64,637	\$42,506	CBI	4 Months	Yes	2.2		1
GR-C03-001	AACSB for University of Baghdad	5-Jun-11	22-Jun-11	Baghdad	Jul-11	\$10,550	\$2,300	Baghdad University	1 years	Yes	3.1	1	
GR-C03-002	AACSB for Mansour University College	5-Jun-11	22-Jun-11	Baghdad	Jul-11	\$10,550	\$2,300	Mansour University college	1 years	Yes	3.1	1	
GR-C03-003	AACSB for Mustansiriyah University	5-Jun-11	22-Jun-11	Baghdad	Jul-11	\$10,550	\$2,300	Mustansiriyah University	1 years	Yes	3.1	1	
GR-C03-004	Faculty Visiting Scholar / Study Tours			TBD	TBD	\$30,000	\$5,000	University #1	3 months	Yes	3.2	0	
GR-C03-005	Faculty Visiting Scholar / Study Tours			TBD	TBD	\$30,000	\$5,000	University #2	3 months	Yes	3.2	0	
GR-C03-006	Faculty Visiting Scholar / Study Tours			TBD	TBD	\$30,000	\$5,000	University #3	3 months	Yes	3.2	0	
GR-C03-007	Visiting Scholars and University Linkages Program			Iraq	TBD	\$100,000	\$20,000	N/A	1 year	Yes	3.1	0	
GR-C03-008	International Department - MoHE			Baghdad University	Jul-11	\$150,000	\$40,000	Baghdad University	1 Year		3.1	0	
GR-C03-009	Univ of Dubai - Enhancement of Availability and Quality Improvement of Business Management (specifically Finance and Banking) Education.	3-Oct-11	3-Oct-11	University of Dubai	Oct 2011 - Dec 2012	\$486,803	\$242,030	Baghdad University	1 Year	Yes	3.1	1	
GR-C03-010	Shippensburg / Mansour University Partnarship	3-Oct-11	3-Oct-11	Shippensburg University	Oct-11	\$499,436	\$35,432	Mansour University	1 Year	Yes	3.1	1	
GR-C03-011	Finance Education Training and Exchange Program to Improve the Quality and Availability of Finance and Business Education in Iraq			James Madison University		\$499,372	\$35,432	Mansour University	1 Year	Yes	3.1		1
GR-C03-012	MOHE and Deans Study Tour			James Madison - Shippensburg - Dubai		\$46,254	\$0	Ministry of Higher Education	2 weeks	Yes	3.1	0	
					Total	\$4,815,286	\$1,316,664	Total Amount	\$6,131,950	Total of Yes/No Approved		10	19

Approved Grants to date 14 March 2012

Grant Number (ex. GR-002-001)	Proposed Activity	Description	Location of Activity	Estimated Amount from IFSD (USD)	Approximate Cost Sharing Amount (USD)	Gol Counterpart providing Cost Sharing Estimate	Start Date	End Date	Proposed End Date	Duration	Does it require Mission Waiver?
GR-C01-004	Federation Site Rehabilitation and Renovation		Baghdad	\$110,730	\$90,000	FIPB	September 26, 2011	December 15, 2011		3 Months	No
GR-C01-005	Federation Site Equipment Fit Up		Baghdad	\$145,030	\$2,000	FIPB	October 1, 2011	February 21, 2012		3 Months	No
GR-C01-006	Federation Initial Staffing		Baghdad	\$199,800	\$7,800	FIPB	October 20, 2011	December 20, 2012	March 1, 2013	1 Year	No
GR-C01-008	FIPB Booth for UAB Annual Conference		Beruit	\$25,000	\$19,350	FIPB	November 1, 2011	December 8, 2011		3 Months	No
GR-C02-001	Credit Bureau Study Tour		Beruit	\$37,155	\$68,965	Central Bank of Iraq	June 15, 2011	August 2, 2011		5 days	Yes
GR-C03-001	AACSB for University of Baghdad		Baghdad	\$10,550	\$2,300	Baghdad University	July 14, 2011	July 15, 2012		1 years	Yes
GR-C03-002	AACSB for Mansour University College		Baghdad	\$10,550	\$2,300	Mansour University	July 14, 2011	July 15, 2012		1 years	Yes
GR-C03-003	AACSB for Mustansiriyah University		Baghdad	\$10,550	\$2,300	Mustansiriyah University	July 14, 2011	July 15, 2012		1 years	Yes
GR-C03-009	Univ of Dubai - Enhancement of Availability and Quality Improvement of Business Management (specifically Finance and Banking) Education.		Baghdad	\$486,803	\$242,030	Baghdad University	November 1, 2011	December 31, 2012	December 31, 2013	1 years	Yes
GR-C03-010	Shippensburg / Mansour University Partnership		Baghdad	\$499,436	\$35,432	Mansour University	October 15, 2011	June 30, 2013	December 31, 2013	1 years	Yes
Grants Total	10			\$1,535,604	\$472,477	Total Amount	\$2,008,081				

Components	Number of Grants	IFDP Grant Amount	Grantee Contribution	Total Amount	Percentage
Component 1	4	\$480,560	\$119,150	\$599,710	29.86%
Component 2	1	\$37,155	\$68,965	\$106,120	5.28%
Component 3	5	\$1,017,889	\$284,362	\$1,302,251	64.85%
G. Total	10	\$1,535,604	\$472,477	\$2,008,081	100.00%

Components' Share Percentage



Annex C:

PMP Indicator Tracker – Year 2

PMP IR #	PMP Indicator #	Indicator Title	Unit of Measure	Data Source	Frequency of Collection	Baseline	Associated Deliverable	Yr 2 Target	12/31/2011	3/31/2012	6/30/2012	9/30/2012	Yr 2 Actual as % of Yr 2 Target	5 year Estimate	
		Component 1 Indicators													
1.1	1.1.1	Number of Associations accepting USG Technical Assistance	Number of Association[s]	Project Records	Quarterly	0	D111; D112	NA					NA	1	
	1.1.2	Bankers Association Financial and functional Sustainability	Ratio/ Percentage	Association membership records	Quarterly	0	D111; D112	TBD	600%	600%				100%	
	1.1.3	The number of Institutional Owners of the Federation of Private Banks	Total # of Members	Association membership records	Quarterly	0	D111; D112	4	0	0				25	
	1.1.4	Overall Member Satisfaction of Bankers Association effectiveness	# members participating in Meetings	Attendance Records	Quarterly	0	D111; D112	75%	77%	92%				75%	
1.3	1.2.1	Number of policy research documents, public-private dialogue sessions, advocacy campaigns and public education measures	Number of documents, events, campaigns, publications	Private Financial Sector Association[s]	Quarterly	0	D131; D132; D133; D134	12	1	3				104	
1.2	1.3.1	Number of GoI/stakeholder communications and exchanges, conferences, publications, research papers and public education initiatives that result in recommendations being implemented	Number of events, papers, publications	Stakeholder Association(s) plus CBI, CoR, other GOI entities	Quarterly	0	D121; D122; D123; D124	3	1	0				15	
1.4	1.4.1	Number of official linkages established between the Iraq Banker's Association(s) and Regional and International Bankers associations as a result of USG assistance.	Number of official, written linkages	Stakeholder Association(s)	Annual	0	D141; D142	2	2	0				12	
1.5	1.5.0	Four to Five targeted policy, legal, regulatory or administrative reforms are identified and reform efforts initiated.	Number	Project Records	Quarterly	0	D151	5	0	0				4-5	
	1.5.1	Policy, Legal, Regulatory or Administrative Reform #1 Implementation Milestones	Milestones (TBD)	Project Records	Quarterly	0	D151	TBD	0	0				100%	
	1.5.2	Policy, Legal, Regulatory or Administrative Reform #2 Implementation Milestones	Milestones (TBD)	Project Records	Quarterly	0	D151	TBD	0	0				100%	
	1.5.3	Policy, Legal, Regulatory or Administrative Reform #3 Implementation Milestones	Milestones (TBD)	Project Records	Quarterly	0	D151	TBD	0	0				100%	
	1.5.4	Policy, Legal, Regulatory or Administrative Reform #4 Implementation Milestones	Milestones (TBD)	Project Records	Quarterly	0	D151	TBD	0	0				100%	
	1.5.5	Policy, Legal, Regulatory or Administrative Reform #5 Implementation Milestones	Milestones (TBD)	Project Records	Quarterly	0	D151	TBD	0	0				100%	

PMP IR #	PMP Indicator #	Indicator Title	Unit of Measure	Data Source	Frequency of Collection	Baseline	Associated Deliverable	Yr 2 Target	12/31/2011	3/31/2012	6/30/2012	9/30/2012	Yr 2 Actual as % of Yr 2 Target	5 year Estimate
Component 2 Indicators														
2.1	2.1.2	Milestones to putting the legal and regulatory framework in place and making a credit bureau operational.	Milestones (see PIRS)	Project and Stakeholder Documents	Quarterly	0	D211;D212; D213; D214; D215; D216; D217; D218	4 & 5	0	0				8
	2.1.3	Number of inquiries received by Credit Bureau	Number of Inquiries	Credit Bureau Records	Quarterly	0	D219	NA						nd
	2.1.4	Number of banks/NBFIs and other subscribers to bureau services	Number of Subscribers	Credit Bureau Records	Quarterly	0	D219	NA						nd
	2.1.5	Number of data records held by Credit Bureau	Number of Data Records	Credit Bureau Records	Quarterly	0	D219	NA						nd
2.2	2.2.1	Milestones to measure the steps necessary to establish The Banker's Training Institute that is sustainable and an effective industry training mechanism.	Milestones (see PIRS)	Project Records	Quarterly	0	D221; D222; D224; D228	3	0	1				8
	2.2.1a	Bankers Training Institute Sustainability Ratio	Ratio (see PIRS for Definition)	BTI Financial Records	Quarterly	0	D228	5%	0	0				20-50%
	2.2.2	4.3.2-1: Number of Financial Sector Professionals trained on international standards this year with USG assistance.	Total # of Professionals	Training Records	Annual	0	D223; D225; D226; D227	200	97	195				650
	2.2.2a	Number of Men	# Men	Training Records	Annual	0	D223; D225; D226; D227	80	36	68				nd
	2.2.2b	Number of Women	#women	Training Records	Annual	0	D223; D225; D226; D227	120	61	127				nd
2.3	2.3.1	4.3.2-2 Number of Material Improvements in the Infrastructure institutions that reduce Market Risks made this year with USG Assistance	Number of Improvements	Implementing Partners, project records	Annual	0	D231; D232	0						1
	2.3.1a	Phase I Completed	Milestones (see PIRS)	Project Records	Quarterly	0	D231	0						10
	2.3.1b	Phase II Completed	Milestones (see PIRS)	Project Records	Quarterly	0	D232	19	16	0				19
2.4	2.4.1	CBI has a complete Request for Proposals for CORE system that could issued for bid	Milestones (see PIRS)	Project Records	Quarterly	0	none	7	5	1				7

PMP IR #	PMP Indicator #	Indicator Title	Unit of Measure	Data Source	Frequency of Collection	Baseline	Associated Deliverable	Yr 2 Target	12/31/2011	3/31/2012	6/30/2012	9/30/2012	Yr 2 Actual as % of Yr 2 Target	5 year Estimate	
Component 3 Indicators															
3.1	3.1.1	4.3.1-6: Number of Financial Sector Training and/or Certification Programs Established or supported that meet International Standards	Number of Programs	Project Records	Annual	0	D312; D313; D314	NA					NA	2	
	3.1.2	4.3.2-1: Number of Financial Sector Professionals trained on international standards this year with USG assistance.	# professionals	Project Records/ University Records	Annual	0	D312	30	0	112					79
	3.1.2a	Number of Men	#Men	University Records	Annual	0	D312	20	0	103					61
	3.1.2b	Number of Women	#women	University Records	Annual	0	D312	10	0	9					18
	3.1.3	Number of senior faculty fom Partner Colleges trained in curriculum by regional/international Partner universities	Number of senior faculty	Implementing Partners, project records	Quarterly	0	D312	30	0	112					30
	3.1.6	Number of Iraqi Colleges of Economics and Administration accepted for membership for accreditation in AACSB	Number of Colleges	Project Records	Quarterly	0	D314	2	0	2					8
3.2	3.2.1.d	Overall Member Satisfaction of Educators Association effectiveness	Rating	Survey	Quarterly	0	D322	3	0	0					4
	3.2.4	Number of partnership agreements between Iraqi Partner Colleges and Regional/international educational institutions	Number of LOC Signatory Universities	Implementing Partners, project records	Quarterly	0	D321	1	2	0					2
3.3	3.3.1	Sustainable Joint Council (Education/Private Banks) established within the organizational structure of a private bank industry association.	Milestones (see PIRS)	Implementing Partners, training records	Quarterly	0	D331; D332	4	0	4					4
	3.3.1a	Number of internships and scholarships to students from the Partner Colleges Co-funded by the private sector (disaggregated by type of sponsorship, gender)	Number of Co-Funded Scholarships /Internships	Implementing Partners, training records	Quarterly	0	D331; D332	4	0	0					20
	3.3.1b	Number of Men	#Men	Implementing Partners, training records	Quarterly	0	D331; D332	3	0	0					14
	3.3.1c	Number of Women	#Women	Implementing Partners, training records	Quarterly	0	D331; D332	1	0	0					6
	3.3.1d	Number of Career Development Centers established at Partner Colleges	Number of centers	Implementing Partners, training records	Quarterly	0	D331; D332	2	0	0					4



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Appendix D: Project Year 2 PMP



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USAID IRAQ FINANCIAL DEVELOPMENT PROJECT

PERFORMANCE MONITORING PLAN

July 19th, 2010 – June 18th, 2015

(revised March 2011)

PERFORMANCE MONITORING PLAN

July 2010 – July 2015

(revised March 2011)

The Iraq Financial Development Project is made possible by the support of the American people through the United States Agency for International Development (USAID). The Iraq Financial Development Project is implemented by AECOM

DISCLAIMER

The authors' views expressed in this publication do not necessarily reflect the views of the United States Agency for International Development or the United States Government.

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Component 3 Indicators and PIRS	43

List of Acronyms

ADS	USAID Automated Directives System
LTO	Long Term Objectives per USAID Contract#267-C-00-10-00005-00
CBI	Central Bank of Iraq
CIB	Credit Information Bureau
CoR	Council of Representatives
COTR	USAID Contracting Officer's Technical Representative
DQA	Data Quality Assessment
FAF	USAID/State Department's Foreign Assistance Framework
GDP	Gross Domestic Product
GoI	Government of Iraq
IPS	Iraq Payment System/Retail Payment System
IR	Intermediate Result/Expected Result from Contract Scope of Work
M&E	Monitoring and Evaluation
PMP	Performance Management Plan
PMU	Project Management Unit
USAID	United States Agency for International Development

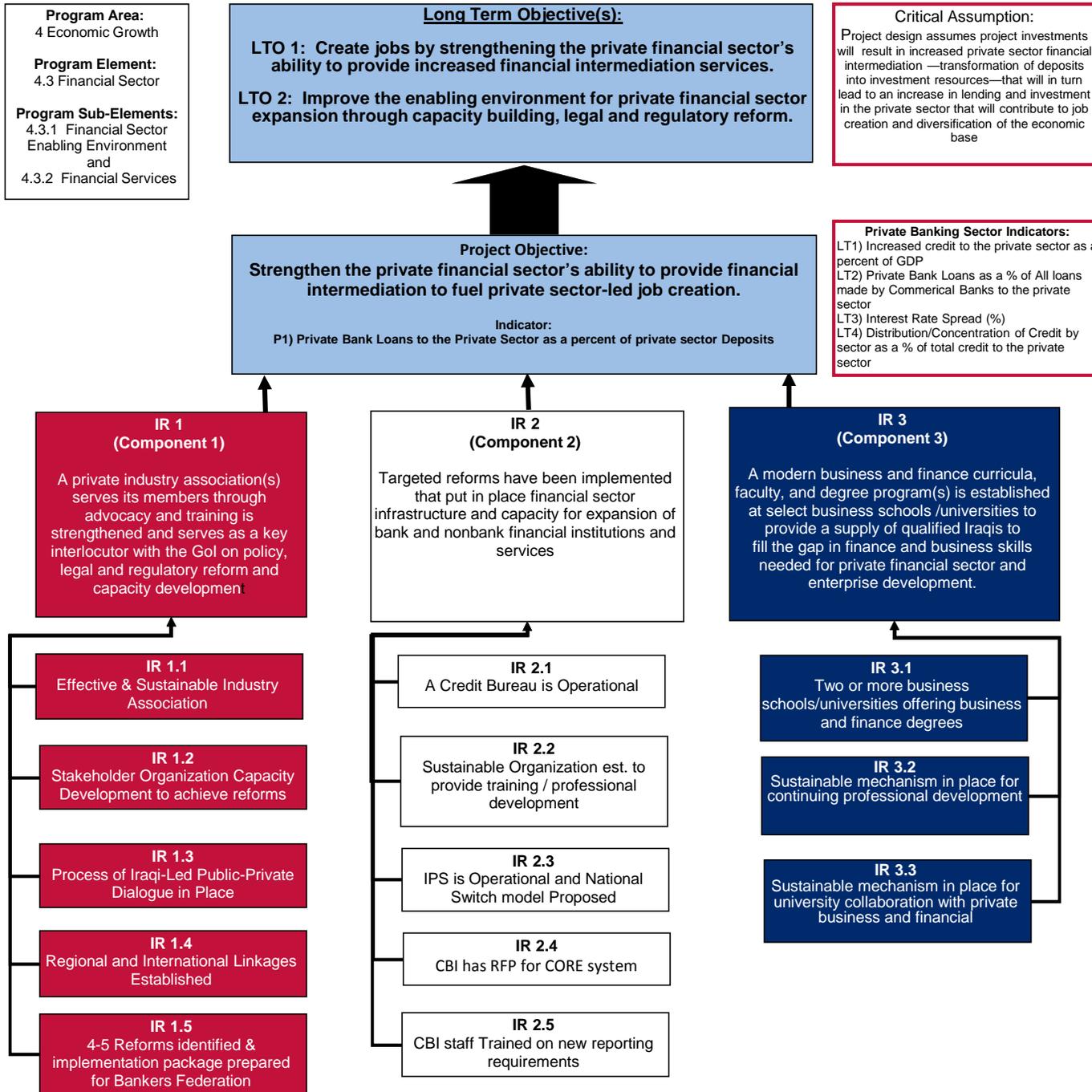
Performance Management Plan Revision

This document presents the changes to the project results framework, Performance Management Plan Indicators and all Performance Indicator Reference Sheets including baseline data and targets. This is the first revision of the Performance Management Plan (PMP) for the Iraq Financial Sector Development Project (USAID Contract No. 267-C-00-10-00005-00) submitted on October 19, 2011. Future revisions will be made at a minimum annually, and/or as knowledge is gained throughout the life of the project. The M&E department of the Financial Development Project adheres to the mandatory and non-mandatory requirements, guidance and instruction found in USAID ADS Chapter 203 "Assessing and Learning." Using a range of pre-selected indicators performance monitoring will continuously measure the progress toward achieving contractual intermediate results, at all levels, for all component/elements of the program.

Objective Performance evaluations will be conducted on a periodic basis to "identify reasons for success or lack of it, to assess effects and impacts, or to indicate which, among a range of program or project/activity alternatives is the most efficient and effective"¹ in a manner that will allow timely adjustments to be made when necessary based on lessons learned. More specifically, performance evaluations will focus on the following: 1) what is being or has been achieved (either at an intermediate point in execution or at the conclusion of an implementation period); 2) how it is being implemented; 3) how it is perceived and valued; 4) whether expected results are occurring; 5) any other questions that are pertinent to program design, management and operational decision making. Twice a month, Component leaders will meet with PMU/M&E staff to review progress towards meeting deliverables and achieving measurable PMP outputs. As measurable progress is achieved, component staff will provide evidential documentation which will be stored in program-wide data monitoring files and/or OneSource. Hard copies of all deliverables will also be cataloged and stored in locked file cabinets in the M&E office. All Data will be reviewed on a quarterly basis to ensure that all project and staff reports and spreadsheets are 100% accurate. Sector indicators will be reviewed by Senior Management quarterly or as macro economic data become available.

¹ ADS 203.3.2

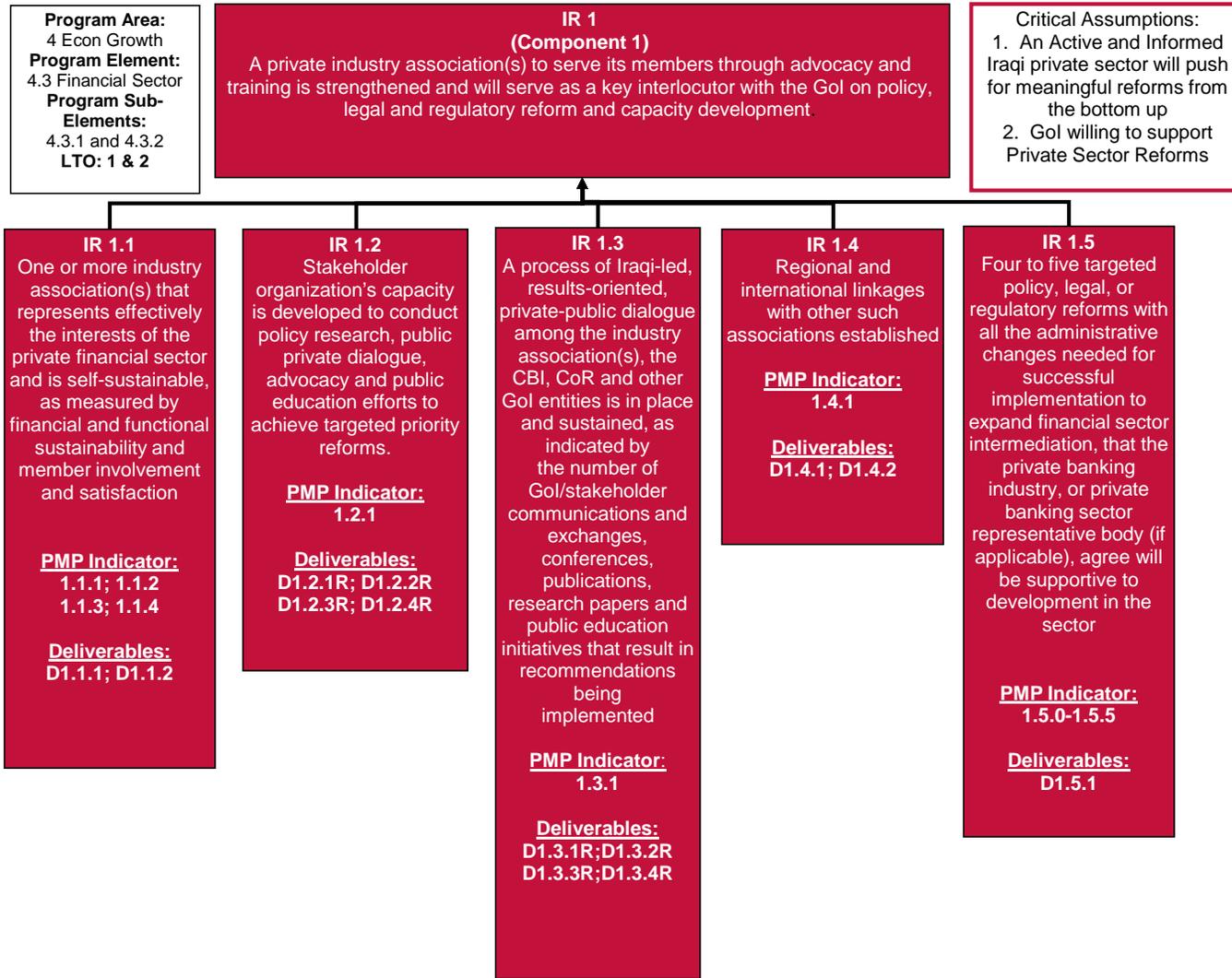
USAID Iraq Financial Development Project Results Framework



USAID Iraq Financial Sector Development Project

Component 1

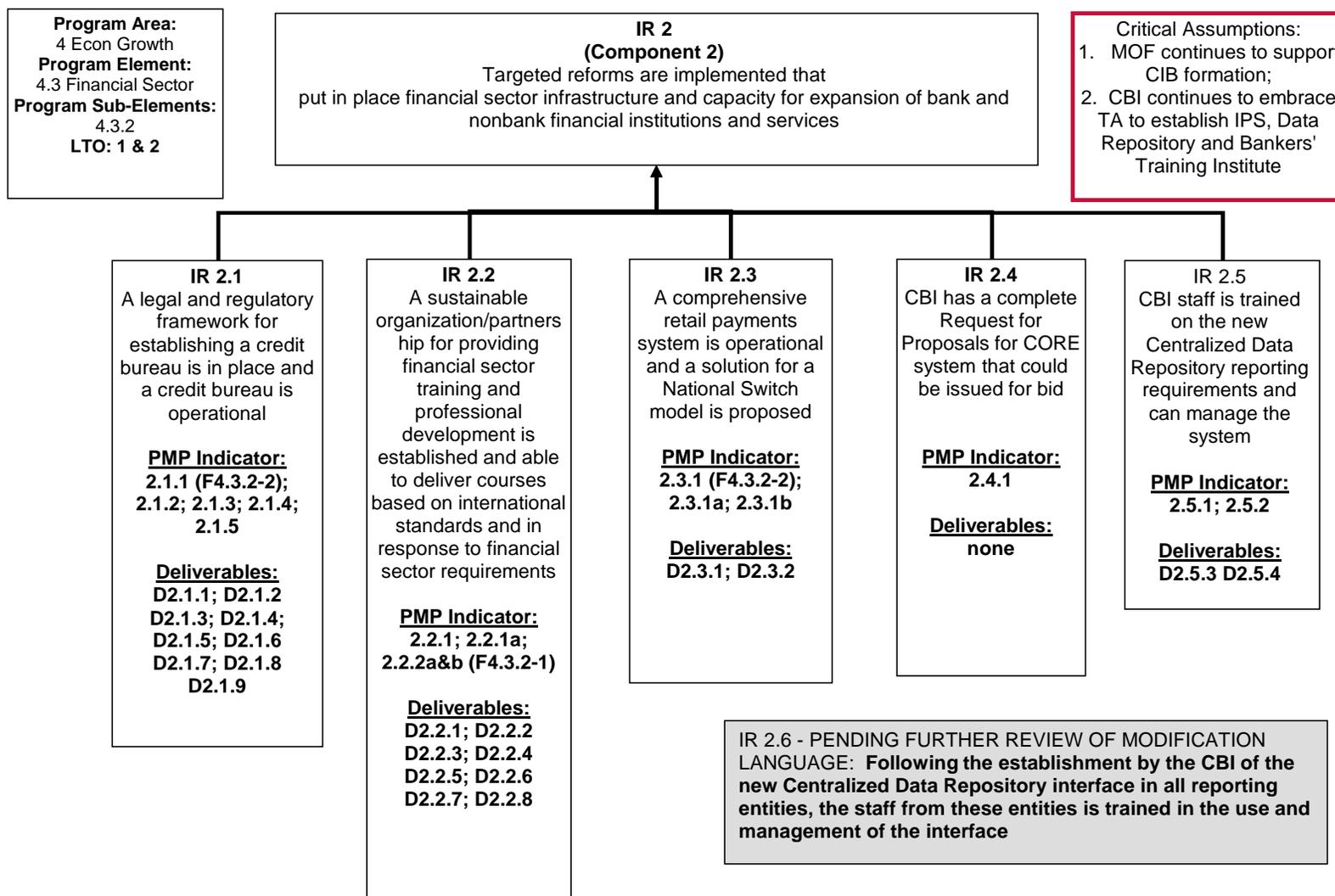
Results Framework



USAID Iraq Financial Sector Development Project

Component 2

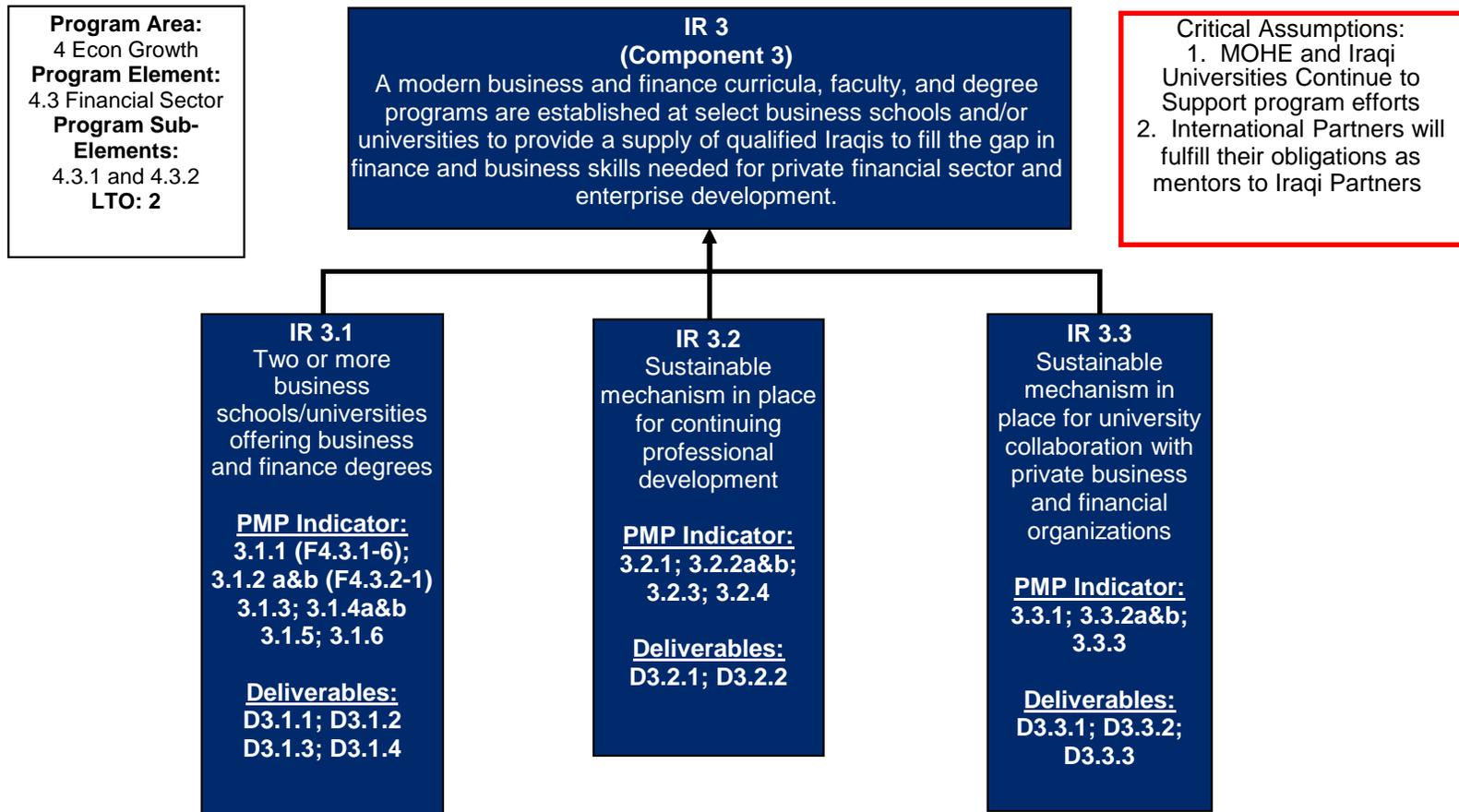
Results Framework



USAID Iraq Financial Sector Development Project

Component 3

Results Framework



USAID Iraq Financial Development Project

Deliverables Matrix - YEAR 2 Revised

year	D#	Component 1	D#	Component 2	D#	Component 3
Year 1	D111	Strategic plan targeting institutional development and sustainability of one or more industry association(s).	D211	Public-private steering committee for design of bank training institute and credit bureau established.	D311	Gap analysis of at least two existing business and finance University or College programs conducted.
	D131R	A prioritized reform agenda for financial sector reforms developed by association(s).	D212	Gol commitment confirmed in writing in a manner acceptable to both CBI and USAID	D331	Mechanisms for cooperation between the private sector and at least two existing business and finance University or Colleges in place.
	D121R	Training plan targeted to building the advocacy capacity of the institute developed.	D213	Iraqi driven credit bureau business plan and model developed.		
	D122R	Communications strategy for association(s) developed.	D221	Business plan and model for bank training institute.		
	D132R	Gol champions for association reform agenda identified and engaged.	D231	Achievement of phase 1 of the retail payments system.		
Year 2	D141	Regional and international linkages established with other Associations and industry groups.	D214	Legal and regulatory requirements for credit bureau identified and recommendations for needed changes drafted.	D312	Upgrade existing finance and business programs and introducing new programs. Conducting faculty training, upgrading course materials, introducing international standards for program administration and accreditation, facilitating partnerships with regional and US universities.
	D123R	Advocacy training plans implemented.	D215	Public education campaign(s) launched to inform public about the role of a credit bureau in the financial sector.	D332	Initiatives and pilots that support student opportunity, such as scholarship and internship programs, career development centers, and entrepreneurship centers.
	D133R	Communications plan implemented including the launch of a public education campaign to inform public about the role of banks in the economy	D222	Bank training institute established.		
	D142	Linkages to University programs established.	D223	Training of trainers and curriculum development underway.		
			D224	Regional linkages to other bank training institutes established.		
			D232	Achievement of phase 2 tasks for the retail payments system.		
Year 3	D112	One or more industry associations represent effectively the interests of the private financial sector and are self-sustainable, as measured by financial sustainability and member involvement and satisfaction.	D216	Sources of data and data requirements for launch of credit bureau resolved.	D321	Regional and international linkages established.
			D217	Legal and regulatory requirements for credit bureau are in place.	D313	At least two additional universities or colleges added as counterparts.
			D225	Bank training institute expands number of courses offered.		
			D226	Bank institute starts offering certificate programs.		
			D253	Achievement of phase 1 for data repository system.		
	D124R	Association(s) capacity is developed to conduct policy research, public private dialogue, advocacy and public education efforts to achieve targeted priority reforms.	D218	Credit bureau operations initiated.	D322	Sustainable mechanism in place for continuing professional development, networking and advocacy for business and finance education.

USAID Iraq Financial Development Project

Deliverables Matrix - YEAR 2 Revised

year	D#	Component 1	D#	Component 2	D#	Component 3
Year 4	D134R	A process of Iraqi-led, results-oriented, private-public dialogue among the industry association(s), the CBI, CoR and other Gol entities is in place and sustained, as indicated by the number of Gol/stakeholder communications and exchanges, conferences, publications, research papers and public education initiatives that result in recommendations being implemented.	D227	Bank training institute continues to expand its number of courses offered.	D333	Sustainable mechanism in place for university collaboration with private business and financial organizations.
			D254	Achievement of phase 2 tasks for the data repository system.		
Year 5	D151	Four to five targeted policy, legal, regulatory and administrative reforms that quantitatively and qualitatively expand financial sector intermediation, as measured by the increase in credit to the private sector and the increase in the number of financial instruments available in the market.	D219	A legal and regulatory framework for establishing a credit bureau is in place and a credit bureau is operational.	D314	Two or more business schools/universities offering business and finance degrees based on international standards.
			D228	Bank training institute established and sustainable with program courses and materials, training of trainers, etc.		

Performance Management Plan (PMP) List of Indicators:

Private Banking Sector and Project Objective Indicators

Long Term Objectives

LTO 1: Create Jobs by Strengthening the private financial sector's ability to provide increased financial intermediation services.

LTO 2: Improve the enabling environment for private financial sector expansion through capacity building, legal and regulatory reform.

PMP Indicator #	Private Banking Sector Indicator Title	Unit of Measure	Data Source	Frequency of Collection	Baseline	Associated Deliverable	Targets					5 Year Total	Cognizant Project Component
							Yr 1	Yr 2	Yr 3	Yr 4	Yr 5		
LT1	Increased Loans to the private Sector as a % of GDP	Percent	CBI and WB	Annual	8.9%	N/A	14%	19%	24%	24%	34%	34%	PMU
LT2	Loans from Private Banks to the Private Sector as a % of all loans to the private sector by the commercial banking sector	Percent	CBI and WB	Annual	33.8%	N/A	39%	44%	49%	54%	59%	59%	PMU
LT3	Interest Rate Spread (%)	Percent	CBI Annual Report	Annual	7.6%	N/A	7%	6%	49%	4%	3%	3%	PMU
LT4	Credit extended by the Private Banks by sector as a % of total credit provided by the private banks	Standard Deviation (%)	CBI Annual Report	Annual	17.0%	N/A	14%	11%	9%	7%	7%	7%	PMU

Program Objective	Program Area	Program Element	Long Term Objective	PMP IR #	Intermediate Result (from contract)	PMP Indicator #	PMP Indicator Title	Unit of Measure	Data Source	Frequency of Collection	Baseline	Associated Deliverable	Targets					5 Year Total	Cognizant Project Component
													Yr 1	Yr 2	Yr 3	Yr 4	Yr 5		
4	4.3		LTO1 LTO2	P1	Strengthen the private financial sector's ability to provide financial intermediation to fuel private sector-led job creation.	P1	Loans by Private Banks to the private sector as a percent of total private sector deposits held by the Commercial Banking sector (Loan to Deposit Ratio)	Percent	CBI	Annual	21%	N/A	21%	27%	33%	39%	45%	45%	PMU

Performance Indicator Reference Sheet (PIRS)

Performance Indicator # LT1			
Program Objective	4 Economic Growth		
Program Area	4.3 Financial Sector		
Long Term Objective	sector indicator for management to use to monitor overall program impact in a larger context, not directly attributable for any contractual objective		
"F" indicator	NO		
Is this a Custom or "Project Specific" Indicator?	YES		
Expected Result #	N/A		
Expected Result Per Contract	N/A		
DESCRIPTION			
Indicator Title:	Increased Loans to the private Sector as a % of GDP		
Precise Definition(s):	Total Private Sector Loans as reported by the Central bank of Iraq / Annual GDP as reported by the World Bank (GDP reported by the Central Bank of Iraq will be used for internal monitoring)		
Unit of Measure:	Percent		
Disaggregated by:	World Bank and Central Bank GDP		
type: output/outcome	Outcome		
Direction of Change:	Higher = Better		
Rationale:	The ratio of private sector bank credit to GDP is a common measure of the provision of credit to the economy, as well as of banking depth.		
PLAN FOR DATA ACQUISITION			
Data Source:	Central Bank of Iraq and World Bank Database		
Method of data acquisition:	Data will be collected from the World Bank WorldData Database and the Annual Reports from the Central Bank of Iraq		
Data Acquisition Freq & Reporting:	Annual Acquisition as reports are available; CBI data will be collected quarterly, if available.		
Estimated Cost of Data Acquisition:	N/A		
Individual responsible for data collection:	William R. Schultz		
Individual responsible for project reporting data:	William R. Schultz		
Location of Data Storage:	Hard Copy: Project Files/USAID; Elect: Project Server/OneSource		
DATA QUALITY ISSUES (if used in USAID Annual Report)			
Date of Initial Data Quality Assessment:	TBD		
Known Data Limitations and Significance (if any):	GDP in Iraq is heavily influenced by the oil sector. Fluctuations in the production and price of oil may have significant positive or negative affects on this indicator.		
Actions Taken or Planned to address Data Limitations:	Review Annually to adjust for oil influence on GDP. Reliable Data for non-oil GDP is currently unavailable. However, if/when non-oil data becomes available, non-oil GDP will be used as the denominator in this indicator.		
Date of Future Data Quality Assessments:	TBD		
Procedures for Future Data Quality Assessments:	TBD		
OTHER NOTES:			
Notes on baselines/Targets:	Initial Baseline data is calculated using the 2009 WB GDP and CBI Loan Data. Baseline data and targets for yr 1-5 will be updated when 2010 data is available. Initial Targets estimated at 5% increase per year		
Year	Target	Actual	Notes
2010		8.9%	See attached Loans to GDP worksheet that has been updated with Dec 31, 2010 data from WB and CBI. The actual figure represented here is the estimated baseline for the project.
2011	14%		
2012	19%		
2013	24%		
2014	29%		
2015	34%		

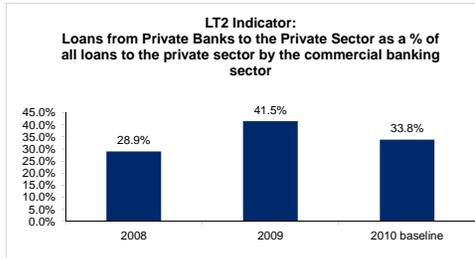
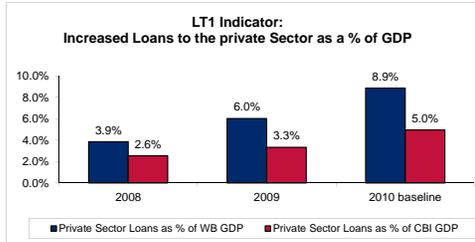
Performance Indicator Reference Sheet (PIRS)

Performance Indicator # LT2			
Program Objective	4 Economic Growth		
Program Area	4.3 Financial Sector		
Long Term Objective	sector indicator for management to use to monitor overall program impact in a larger context, not directly attributable for any contractual objective		
"F" indicator	NO		
Is this a Custom or "Project Specific" Indicator?	YES		
Expected Result #	N/A		
Expected Result Per Contract	N/A		
DESCRIPTION			
Indicator Title:	Loans from Private Banks to the Private Sector as a % of all loans to the private sector by the commercial banking sector		
Precise Definition(s):	Loans from Private Banks to the Private Sector as a % of all loans to the private sector by the commercial banking sector is calculated using the formula: Total Credit Extended by Private Banks to the Private Sector / Total Credit Extended by all Commercial Banks to the Private Sector.		
Unit of Measure:	Percent		
Disaggregated by:	none		
type: ouput/outcome	Outcome		
Direction of Change:	Higher = Better		
Rationale:	This is a disaggregated indicator that shows the contribution that the private banking sector makes to the primary indicator by excluding the state owned banks. I low value signifies that private banks are not lending; have little influence in the credit markets due to size; or, both. Values above 50% is a sign that private banks are lending more than state banks and play a larger role in providing credit to the private sector. This disaggregated Indicator also provides a secondary reference to the contribution the private banks make to other credit indicators.		
PLAN FOR DATA ACQUISITION			
Data Source:	Central Bank of Iraq and World Bank		
Method of data acquisition:	the Central Bank of Iraq		
Data Acquisition Freq & Reporting:	Annual Acquisition as reports are available; CBI data will be collected quarterly, if available.		
Estimated Cost of Data Acquisition:	N/A		
Individual responsible for data collection:	William R. Schultz		
Individual responsible for project reporting data:	William R. Schultz		
Location of Data Storage:	Hard Copy: Project Files/USAID; Elect: Project Server/OneSource		
DATA QUALITY ISSUES (if used in USAID Annual Report)			
Date of Initial Data Quality Assessment:	TBD		
Known Data Limitations and Significance (if any):	None Known at this time		
Actions Taken or Planned to address Data Limitations:	TBD		
Date of Future Data Quality Assessments:	TBD		
Procedures for Future Data Quality Assessments:	TBD		
OTHER NOTES:			
Notes on baselines/Targets:	Initial Baseline data is calculated using data from the 2009 CBI Annual Report. Baseline data and targets for yr 1-5 will be updated when 2010 data is available. Initial data has been updated with 2010 data. While the increase in loans from the private banks to the private sector has increased, the GDP data has increased at a higher rate causing this indicator to decline from 2009 to 2010, 41.5% down to 33.8%. This represents a direct change of -7.7% or a rate of change of -26.5% from 2009.		
Year	Target	Actual	Notes
2010		33.8%	See attached Loans to GDP worksheet that has been updated with Dec 31, 2010 data from WB and CBI. The actual figure represented here is the estimated baseline for the project.
2011	39%		
2012	44%		
2013	49%		
2014	54%		
2015	59%		

Loans as a % of GDP (World Bank and CBI Data)

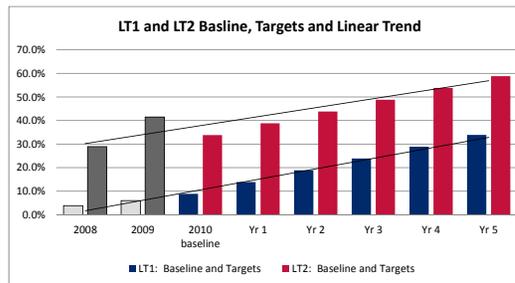
all figures have been converted from IQD to USD (000) at the rate of 1170 IQD = \$1 USD

Year	Total credit extended to the Private Sector			World Bank GDP	LT1		LT2
	Private Sector	total Credit to the private sector by Private Banks	CBI GDP		Private Sector Loans as % of WB GDP	Private Sector Loans as % of CBI GDP	Private Bank Loans as a % of All Loans
2008	\$3,334,703	\$965,049	\$130,747,695	\$86,530,784	3.9%	2.6%	28.9%
2009	\$3,971,083	\$1,647,689	\$119,085,470	\$65,837,435	6.0%	3.3%	41.5%
2010 baseline	\$7,288,146	\$2,465,239	\$146,971,774	\$82,150,313	8.9%	5.0%	33.8%
		\$817,550			Change in %		
		0.496180094			Percent Increase		
						2.8%	1.6%
						73.7%	63.7%
							-7.7%
							-26.5%



Baseline and Target Chart

2008	\$3,334,703	\$965,049	\$130,747,695	\$86,530,784	3.9%	28.9%
2009	\$3,971,083	\$1,647,689	\$119,085,470	\$65,837,435	6.0%	41.5%
2010 baseline	\$7,288,146	\$2,465,239	\$146,971,774	\$82,150,313	8.9%	33.8%
Yr 1				Target	14%	39%
Yr 2				Target	19%	44%
Yr 3				Target	24%	49%
Yr 4				Target	29%	54%
Yr 5				Target	34%	59%

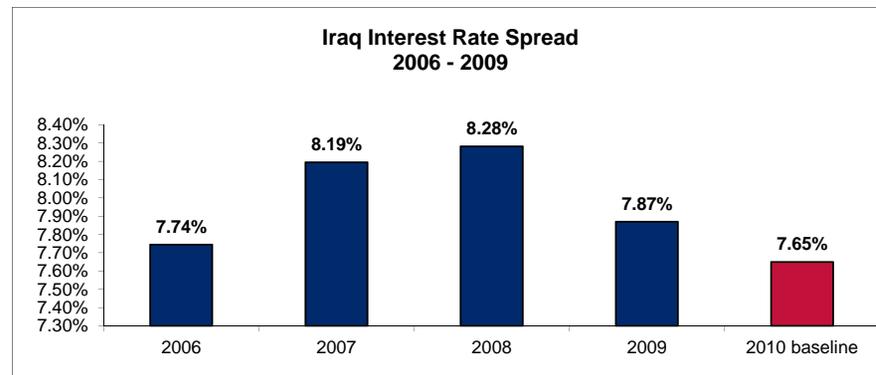


Performance Indicator Reference Sheet (PIRS)

Performance Indicator # LT3			
Program Objective	4 Economic Growth		
Program Area	4.3 Financial Sector		
Long Term Objective	sector indicator for management to use to monitor overall program impact in a larger context, not directly attributable for any contractual objective		
"F" indicator	NO		
Is this a Custom or "Project Specific" Indicator?	YES		
Expected Result #	N/A		
Expected Result Per Contract	N/A		
DESCRIPTION			
Indicator Title:	Interest Rate Spread (%)		
Precise Definition(s):	Interest Rate Spread = Average Loan Interest Charged to best customers by commercial banks - Average Interest Rate Paid on Deposits by Commercial Banks		
Unit of Measure:	Percent		
Disaggregated by:	none		
type: output/outcome	Outcome		
Direction of Change:	Lower = Better		
Rationale:	<p>The interest rate spread is the difference between the average interest rate on loans to prime customers and the average interest rate on deposits in the banking system. This indicator reflects the combined effects of five factors: innate lending risks due to structural characteristics of the economy; the cost of bad debts due to poor lending decisions, perhaps resulting from political pressures or corruption; uncertainty due to weak credit information systems or collateral mechanisms; market power in the banking system, reflecting a lack of effective competition in the financial markets; and, high operating costs in intermediating deposits into loans. Relatively high values are a sign of inefficiency in the banking system or poor institutional foundations for the development of the financial markets.</p>		
PLAN FOR DATA ACQUISITION			
Data Source:	CBI Aggregated Data		
Method of data acquisition:	Data will be acquired from CBI Annual Reports; Quarterly data will be acquired if available		
Data Acquisition Freq & Reporting:	Annual, Quarterly if available		
Estimated Cost of Data Acquisition:	N/A		
Individual responsible for data collection:	William R. Schultz		
Individual responsible for project reporting data:	William R. Schultz		
Location of Data Storage:	Hard Copy: Project Files/USAID; Elect: Project Server/OneSource		
DATA QUALITY ISSUES (if used in USAID Annual Report)			
Date of Initial Data Quality Assessment:	TBD		
Known Data Limitations and Significance (if any):	None known at this time		
Actions Taken or Planned to address Data Limitations:	TBD		
Date of Future Data Quality Assessments:	TBD		
Procedures for Future Data Quality Assessments:	TBD		
OTHER NOTES:			
Notes on baselines/Targets:	<p>Initial Baseline data will be calculated using the 2009 CBI Annual report. Baseline data and targets for yr 1-5 will be updated when 2010 data is available. Targets are based on the assumption that efficiency will improve each year to lower the spread by 1% per year, which will lower the interest rate spread to a level that is comparable to regional neighboring countries. 2010 Baseline data has been received and is now shown as the updated baseline for the project.</p>		
Year	Target	Actual	Notes
2010		7.65%	2010 = Baseline (see attached worksheet)
2011	7%		
2012	6%		
2013	5%		
2014	4%		
2015	3%		

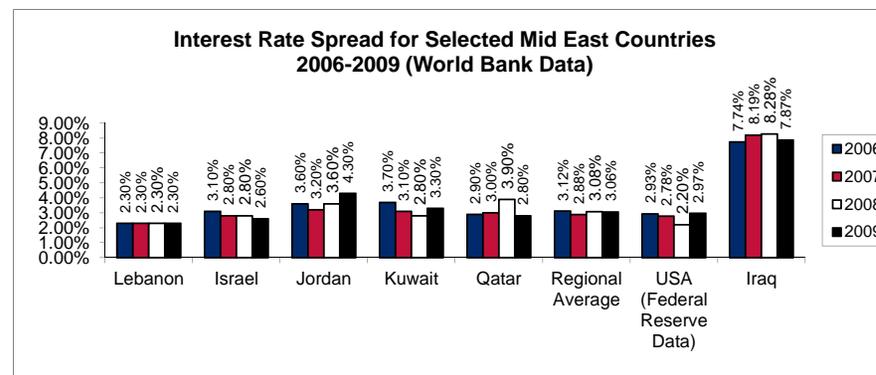
Central Bank of Iraq Interest Rate Data:

	2006	2007	2008	2009	2010 baseline
a- Interest Paid					
Savings Deposits	5.66%	9.18%	9.47%	6.84%	5.52%
Time Deposits for 6 months	6.62%	10.43%	10.54%	7.82%	6.06%
Time Deposits for 1 year	7.27%	11.30%	11.88%	8.83%	7.17%
Time Deposits for 2 years	8.08%	12.56%	13.11%	10.12%	8.18%
Average	6.91%	10.87%	11.25%	8.40%	6.73%
b- Interest Charge Current Account (overdraft)	14.77%	19.09%	19.65%	16.76%	15.13%
Discounted Bills	14.50%	18.44%	19.72%	16.34%	14.76%
Short Term Loans	14.38%	18.78%	19.22%	16.16%	14.35%
Medium Term Loans	14.48%	19.47%	19.50%	15.63%	13.32%
Long Term Loans	15.13%	19.53%	19.57%	16.47%	14.35%
Average	14.65%	19.06%	19.53%	16.27%	14.38%
Interest Rate Spread - all rates	7.74%	8.19%	8.28%	7.87%	7.65%



Selected Comparative Regional Countries (World Bank Data)

	2006	2007	2008	2009	2010
Lebanon	2.30%	2.30%	2.30%	2.30%	
Israel	3.10%	2.80%	2.80%	2.60%	
Jordan	3.60%	3.20%	3.60%	4.30%	
Kuwait	3.70%	3.10%	2.80%	3.30%	
Qatar	2.90%	3.00%	3.90%	2.80%	
Regional Average	3.12%	2.88%	3.08%	3.06%	
USA (Federal Reserve Data)	2.93%	2.78%	2.20%	2.97%	
Iraq	7.74%	8.19%	8.28%	7.87%	7.65%



Performance Indicator Reference Sheet (PIRS)

Performance Indicator # LT4			
Program Objective	4 Economic Growth		
Program Area	4.3 Financial Sector		
Long Term Objective	sector indicator for management to use to monitor overall program impact in a larger context, not directly attributable for any contractual objective		
"F" indicator	NO		
Is this a Custom or "Project Specific" Indicator?	YES		
Expected Result #	N/A		
Expected Result Per Contract	N/A		
DESCRIPTION			
Indicator Title:	Credit extended by the Private Banks by Sector as a % of total credit provided by the private banks		
Precise Definition(s):	The Central Bank of Iraq reports credit from the commercial banks (State and Private) seggregated by 10 economic sectors: Agriculture; Building/Construction; Electricity; External Credit; Finance/Ins/RE/Business Services; Manufacturing, Mining/Quarries; Social Services; Transportation/communication/storage; and, Wholesale/retail/trade/hotels. This indicator is the standard deviation of % of total credit distributed to each of these sectors. (See attached baseline and target estimate worksheets.)		
Unit of Measure:	Standard Deviation (expressed as a %)		
Disaggregated by:	none		
type: ouput/outcome	output		
Direction of Change:	lower = better		
Rationale:	In a more robust and diversified banking sector such as Jordan or in the USA, concentration of credit is a more evenly divided. Therefore, This indicator reveals the existance of any concentration of credit in Iraq. High concentrations of credit in a particular sector subject the Private Baking sub-sector to the risks associated to the particular sector where the credit is concentrated. (i.e. high concentrations of credit in the agriculture sector subject lenders to the same risks such as crop loss from weather, disease and insects and market price risks). A High standard deviation signals the existance of a concentration of credit, high risk. A low standard deviation indicates less concentration, lower risk. Through training and education and improvement in collections/risk management as well as external improvements like electricity, security and infrastructure this distribution should level out and become less concentrated.		
PLAN FOR DATA ACQUISITION			
Data Source:	Central Bank of Iraq		
Method of data acquisition:	Data acquired from CBI Annual Report		
Data Acquisition Freq & Reporting:	Annually; quarterly data will be collected if available		
Estimated Cost of Data Acquisition:	N/A		
Individual responsible for data collection:	William R. Schultz		
Individual responsible for project reporting data:	William R. Schultz		
Location of Data Storage:	Hard Copy: Project Files/USAID; Elect: Project Server/OneSource		
DATA QUALITY ISSUES (if used in USAID Annual Report)			
Date of Initial Data Quality Assessment:	TBD		
Known Data Limitations and Significance (if any):	None known at this time		
Actions Taken or Planned to address Data Limitations:	TBD		
Date of Future Data Quality Assessments:	TBD		
Procedures for Future Data Quality Assessments:	TBD		
OTHER NOTES:			
Notes on baselines/Targets:	Initial Baseline data will be calculated using the 2009 CBI Annual report. Baseline data and targets for yr 1-5 will be updated when 2010 data is available. Using economic expertise, Targets are based on reasonably gradual shifts of areas of high concentration of credit to economically productive, though low areas of concentration of credit. (see attached worksheet). Iraq is not expected to reach the level of low-risk diversification in more developed countries such as Jordan or the USA within the five years of the project; however, a reasonable, gradual shift from areas of high concentration to areas less served should be observed. 2010 baseline data has been incorporated to update the baseline for the project		
Year	Target	Actual	Notes
2010		17%	Baseline = Excel Stdevpa function for 2010 % Dist. (See attached worksheet)
2011	14%		
2012	11%		
2013	9%		
2014	7%		
2015	7%		

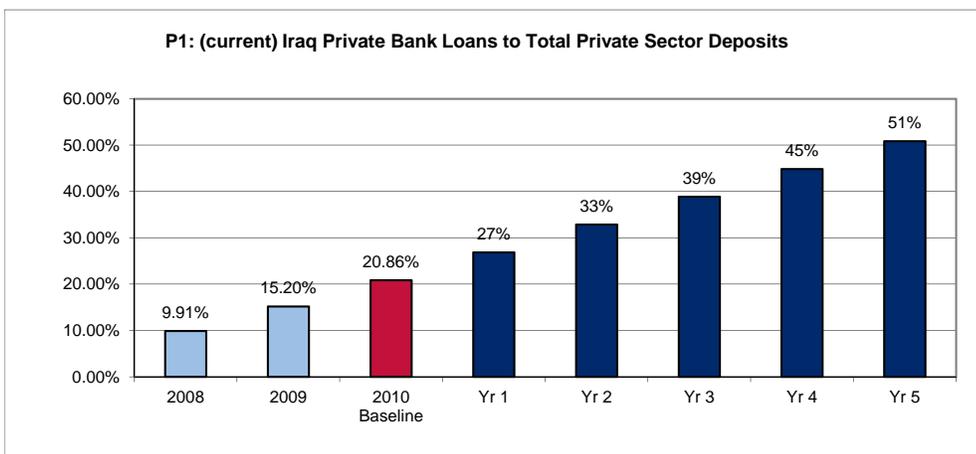
Performance Indicator Reference Sheet (PIRS)

Performance Indicator # P1			
Program Objective	4 Economic Growth		
Program Area	4.3 Financial Sector		
Program Element			
Long Term Objective	LTO1 and LTO2		
"F" indicator	NO		
Is this a Custom or "Project Specific" Indicator?	YES		
Expected Result #	Project Objective		
Expected Result Per Contract	Strengthen the private financial sector's ability to provide financial intermediation to fuel private sector-led job creation.		
DESCRIPTION			
Indicator Title:	Loans by Private Banks to the private sector as a percent of private sector deposits held by the Commercial Banking sector (Loan to Deposit Ratio)		
Precise Definition(s):	The formula for calculating the Loan to deposit ratio is: Loans from the Private Banks to the Private Sector / Total Private Sector Deposits.		
Unit of Measure:	Percentage		
Disaggregated by:	none		
type: ouput/outcome	Outcome		
Direction of Change:	Higher = Better		
Rationale:	Loans to the private sector as a percent of private sector deposits of the Commercial Banking sector (Loan to Deposit Ratio) is a very strong indicator that reflects the actual financial intermediation (converting deposits to loans) that is taking place in the Commercial Banking sector. In western, developed countries a loan to deposit ratio of 65-70% is considered an acceptable level. A low loan to deposit ratio relative to regional or international benchmarks directly correlates to ineffective financial intermediation.		
PLAN FOR DATA ACQUISITION			
Data Source:	CBI Aggregated Data contained in the CBI Annual Report		
Method of data acquisition:	Data Collected from the CBI annual report and quarterly information if available.		
Data Acquisition Freq & Reporting:	Data Acquisition as available from data sources/ Annual Reporting		
Estimated Cost of Data Acquisition:	N/A		
Individual responsible for data collection:	William R. Schultz		
Individual responsible for project reporting data:	William R. Schultz		
Location of Data Storage:	Hard Copy: Project Files/USAID; Elect: Project Server/OneSource		
DATA QUALITY ISSUES (if used in USAID Annual Report)			
Date of Initial Data Quality Assessment:	TBD		
Known Data Limitations and Significance (if any):	Banks will always make operations and lending policy decisions on what their individual governance systems percieve as their own best interest. The interventions of the program are external to those loan decision making processes of individual banks, which gives the program limited influence on this indicator. Putting in place a Credit Bureau and improving data communications should have a profound affect on how individual banks make future lendingand operational decisions but there is no guarantee this will, in fact, happen. Annual fluctuations in the increases in both deposits and loans will have positive and negative effects year on year but the long term trend should remain positive.		
Actions Taken or Planned to address Data Limitations:	Management will monitor both the numerator and denominator separately as well as the ratio. This indicator is not 100% directly attributable to the project's contractual objective. However, This indicator does provide proof of development hypothisis and must be monitored for the project's interventions should positively affect both the numerator and the denominator.		
Date of Future Data Quality Assessments:	TBD		
Procedures for Future Data Quality Assessments:	TBD		
OTHER NOTES:			
Notes on baselines/Targets:	Initial Baseline data will be calculated using the 2009 CBI Annual report. Baseline data and targets for yr 1-5 will be updated when 2010 data is available. Targets in Yr 1-5 assume that interventions will increase at a natural progression (5.28% from 2008-2009, 5.66% 2009-2010) of 6% per year. NOTE: the baseline for this indicator has changed to reflect the incorporated updated 2010 data. Also, it should be noted that as of 2010, CBI data now disaggregates deposit information by State and Private banks, making it possible to modify this indicator to show ONLY the Loan to Deposit ratio using ONLY Private Bank Deposits in the Denominator. Modifying this indicator would show a significant (and more accurate assesment) change in this inicator. The L/D ratio for the Private Banking Sector for 2010 is 53.7%, rather than 20.86% using ONLY private sector loans at private banks divided by private sector deposits with Private Banks.		
Year	Target	Actual	Notes
2010		20.86%	Baseline = \$1.65 billion / \$10.8 Billion (see attached worksheet)
2011	21%		
2012	27%		
2013	33%		
2014	39%		
2015	45%		

Loans to the private sector as a percent of private sector deposits of the Commercial Banking sector (Loan to Deposit Ratio)

Source: CBI 2008, 2009 & 2010 Annual Report (data converted to USD at 1170 IQD/\$1 x 1000)

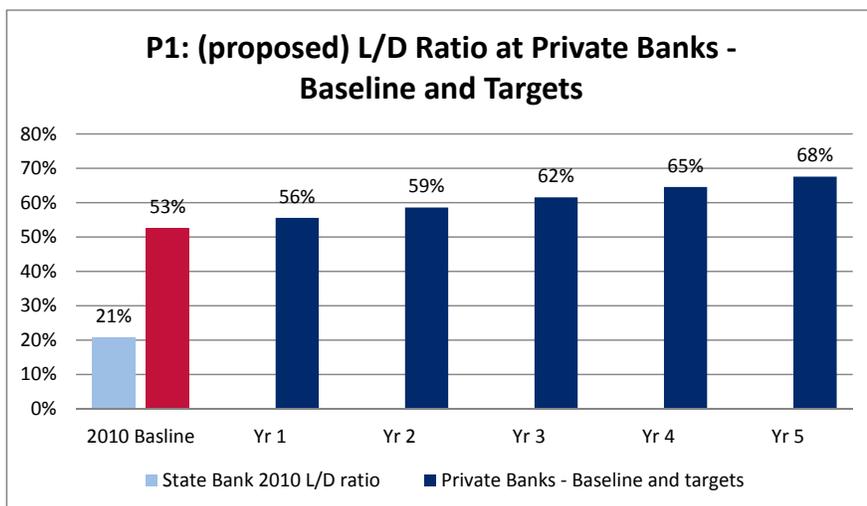
		USD			Targets:				
		2008	2009	2010 Baseline	Yr 1	Yr 2	Yr 3	Yr 4	Yr 5
Private Bank Credit	A	\$965,049	\$1,647,689	\$2,465,239					
Private Sec Deposits	B	\$9,736,522	\$10,842,921	\$11,817,844					
Loan to Deposit Ratio	A/B	9.91%	15.20%	20.86%	27%	33%	39%	45%	51%



State Owned Bank L/D ratio compared to Private Banks: 2010 (in 000)

	Total all deposits	Total Cash Loans to all sectors*	2010 Baseline	Targets:				
				Yr 1	Yr 2	Yr 3	Yr 4	Yr 5
State Owned Banks	\$36,291,573	\$7,553,167	21%					
Private Banks	\$4,688,968	\$2,465,239	53%	56%	59%	62%	65%	68%
Total	\$40,980,540	\$10,018,406	24%					

* Private banks make loans ONLY to the private sector whereas state owned banks make loans to the private sector, SOE's and the central Government.



Performance Indicator Reference Sheet (PIRS)

Performance Indicator # 1.1.1			
Program Objective	4 Economic Growth		
Program Area	4.3 Financial Sector		
Program Element	4.3.1 Financial Sector Enabling Environment		
Long Term Objective	Improve the enabling environment for private financial sector expansion through capacity building, legal and regulatory reform		
"F" indicator	NO		
Is this a Custom "Project Specific" Indicator?	YES		
Expected Result #	1.1		
Expected Result Per Contract	One or more industry associations that represents effectively the interests of the private financial sector and is self-sustainable, as measured by financial sustainability and member involvement and satisfaction.		
DESCRIPTION			
Indicator Title:	Association (and Branches) accepting USG Technical Assistance		
Precise Definition(s):	The number of private banker associations that the Iraq Financial Sector Development program will provide technical and other assistance in order to achieve their goal.		
Unit of Measure:	Number of Associations and Branches		
Disaggregated by:	none		
type: output/outcome:	Output		
Direction of Change:	None - Target is 1 Association with provincial branches		
Rationale:	Because of the small number of private banks in Iraq (36), this indicator number will be limited to one national association with regional or provincial branches. Branches will be counted as an additional association show the extent of outreach for the association activities.		
PLAN FOR DATA ACQUISITION			
Data Source:	Association Charter/Bylaws and subsequent Board Resolutions/ USAID Program records		
Method of data acquisition:	Collection will be made by component 1 Staff from Association records, incorporated into project records.		
Data Acquisition Freq & Reporting:	Quarterly/Quarterly		
Estimated Cost of Data Acquisition:	N/A		
Individual responsible for data collection:	Kathy Walsh		
Individual responsible for project reporting data:	William R. Schultz		
Location of Data Storage:	Hard Copy: Project Files/USAID; Elect: Project Server/OneSource		
DATA QUALITY ISSUES (if used in USAID Annual Report)			
Date of Initial Data Quality Assessment:	TBD		
Known Data Limitations and Significance (if any):	none at this time		
Actions Taken or Planned to address Data Limitations:	none at this time		
Date of Future Data Quality Assessments:	TBD		
Procedures for Future Data Quality Assessments:	TBD		
OTHER NOTES:			
Notes on baselines/Targets:	No viable bankers association is being supported by the project at the startup, therefore the baseline is 0. Furthermore, only one "association" will be supported by the project. The Decision to expand to other provinces will be based on feasibility analysis by the Federation of Private banks rather than with the project. Therefore, no branch targets will be measured by this indicator..		
Year	Target	Actual	Notes
2010		0	No Associations are committed to the project at startup
2011	1	1	The Federation of Private Banks has been established and no other "association" is anticipated to be supported by the project as of end of year 1.
2012	0		
2013	0		
2014	0		
2015	0		

Performance Indicator Reference Sheet (PIRS)

Performance Indicator # 1.1.2			
Program Objective	4 Economic Growth		
Program Area	4.3 Financial Sector		
Program Element	4.3.1 Financial Sector Enabling Environmen		
Long Term Objective	Improve the enabling environment for private financial sector expansion through capacity building legal and regulatory reform		
"F" indicator	NO		
Is this a Custom "Project Specific" Indicator?	YES		
Expected Result #	1.1		
Expected Result Per Contract	One or more industry associations that represents effectively the interests of the private financial sector and is self-sustainable, as measured by financial sustainability and member involvement and satisfaction.		
DESCRIPTION			
Indicator Title:	Bankers Association(s) Financial Sustainability		
Precise Definition(s):	Financial sustainability is the degree to which an organization collects sufficient revenues from sale of its services to cover the full costs of its activities, evaluated on an opportunity-cost basis. Expressed as a percentage, financial sustainability is calculated using the formula: (operational cost + financial costs) / gross revenue. Full financial sustainability is the situation in which the revenues an organization generates from its clients cover the full (opportunity) costs of its activities thus allowing it to continue operating at a stable or growing scale without ongoing support from governments, donor agencies, or charitable organizations.		
Unit of Measure:	Financial Sustainability Ratio		
Disaggregated by:	by association or none		
type: output/outcome	Outcome		
Direction of Change:	Higher = Better: 100% or above indicates complete Financial Sustainability		
Rationale:	Financial sustainability indicates that the association will continue after donor Technical and financial assistance ends.		
PLAN FOR DATA ACQUISITION			
Data Source:	Association Accounting records		
Method of data acquisition:	Program staff to review accounts and accounting policy		
Data Acquisition Freq & Reporting:	Annual Collection / Annual Report		
Estimated Cost of Data Acquisition:	N/A		
Individual responsible for data collection:	Kathy Walsh		
Individual responsible for project reporting data:	William R. Schultz		
Location of Data Storage:	Hard Copy: Project Files/USAID; Elect: Project Server/OneSource		
DATA QUALITY ISSUES (if used in USAID Annual Report)			
Date of Initial Data Quality Assessment:	TBD		
Known Data Limitations and Significance (if any):	none at this time		
Actions Taken or Planned to address Data Limitations:	none at this time		
Date of Future Data Quality Assessments:	TBD		
Procedures for Future Data Quality Assessments:	TBD		
OTHER NOTES:			
Notes on baselines/Targets:			
Year	Target	Actual	Notes
2010		0%	There are no associations receiving TA at project startup
2011	20%	>600%	in year one, the owners of the Federation of Private Banks invested \$1.1 million USD to use for all operating purposes. This level of funding provides for more than 6 x the planned operating budget. However, this ratio will need to be monitored over the life of the project to determine the perpetual sustainability of the Federation. Nevertheless, this investment by the private banks represents a significant event and support by project beneficiaries.
2012	60%		
2013	100%		Deliverables require sustainability target to be met in Year 3.
2014	100%		
2015	100%		

Performance Indicator Reference Sheet (PIRS)

Performance Indicator # 1.1.3, a & b			
Program Objective	4 Economic Growth		
Program Area	4.3 Financial Sector		
Program Element	4.3.1 Financial Sector Enabling Environment		
Long Term Objective	Improve the enabling environment for private financial sector expansion through capacity building, legal and regulatory reform		
"F" indicator	NO		
Is this a Custom "Project Specific" Indicator?	YES		
Expected Result #	1.1		
Expected Result Per Contract	One or more industry associations that represents effectively the interests of the private financial sector and is self-sustainable, as measured by financial sustainability and member involvement and satisfaction.		
DESCRIPTION			
Indicator Title:	Total number of institutional owners of the Federation of Private Banks.		
Precise Definition(s):	Total number of the institutional owners of the Federation of Private Banks.		
Unit of Measure:	number		
Disaggregated by:	none		
type: output/outcome:	Output		
Direction of Change:	Higher = Better		
Rationale:	The number of owners investing their own funds in the federation reflect the over-all interest of the industry in pursuing the advocacy, publicity and training efforts carried out by the Federation of private banks. The number of owners of the Federation is limited by the total number of private banks in Iraq.		
PLAN FOR DATA ACQUISITION			
Data Source:	Association membership records		
Method of data acquisition:	Direct Project review of membership records		
Data Acquisition Freq & Reporting:	Quarterly/Quarterly		
Estimated Cost of Data Acquisition:	N/A		
Individual responsible for data collection:	Kathy Walsh		
Individual responsible for project reporting data:	William R. Schultz		
Location of Data Storage:	Hard Copy: Project Files/USAID; Elect: Project Server/OneSource		
DATA QUALITY ISSUES (if used in USAID Annual Report)			
Date of Initial Data Quality Assessment:	TBD		
Known Data Limitations and Significance (if any):	none at this time		
Actions Taken or Planned to address Data Limitations:	none at this time		
Date of Future Data Quality Assessments:	TBD		
Procedures for Future Data Quality Assessments:	TBD		
OTHER NOTES:			
Notes on baselines/Targets:	No viable association exists at project startup, therefore the baseline for this indicator is 0. Targets are based on best estimates and will be adjusted to reflect realistic expectations as knowledge is gained.		
Year	Target 1.1.3	Actual	Notes
2010		0	Baseline
2011	13	13	Original Owners of the Federation as shown in the registration documents
2012	4		Discussions are underway with 4 additional institutional owners who are interested in investing in the Federation in FY 2012
2013	0		
2014	0		
2015	0		

Performance Indicator Reference Sheet (PIRS)

Performance Indicator # 1.1.4			
Program Objective		4 Economic Growth	
Program Area		4.3 Financial Sector	
Program Element		4.3.1 Financial Sector Enabling Environment	
Long Term Objective		Improve the enabling environment for private financial sector expansion through capacity building, legal and regulatory reform	
"F" indicator		NO	
Is this a Custom "Project Specific" Indicator?		YES	
Expected Result #		1.1	
Expected Result Per Contract		One or more industry associations that represents effectively the interests of the private financial sector and is self-sustainable, as measured by financial sustainability and member involvement and satisfaction.	
DESCRIPTION			
Indicator Title:		Overall Owner Satisfaction with the Federation of Private Banks	
Precise Definition(s):		Owner satisfaction is measured by the continuing participation in the decision making processes of the General Assembly meetings. Satisfaction will be measured by the aggregate quarterly percentage of owners who attend the General Assembly meetings. The formula that will be used to calculate this percentage is: the accumulative average number of owners present at each meeting during the quarter divided by the number of General Assembly meetings during the quarter. Example: at meeting 1 there are 10 owners represented at the meeting and at that time there are 13 owners, the average for the meeting is 77%. At the second meeting, there are 2 new owners and each send a representative to the meeting, making the attendance average 12/15, or 80%. there are two more meetings during the quarter with attendance average of 80% and 85%. The quarterly average would then be: (77% + 80% + 80% + 85%) / 4 meetings = 80.5%.	
Unit of Measure:		percentage	
Disaggregated by:		none	
type: output/outcome:		Output	
Direction of Change:		Higher = Better	
Rationale:		For the purpose of this indicator, "Member" is defined as institutional owner of the Federation of Private Banks, LLC. Member satisfaction as measured by their participation in the General Assembly meetings demonstrates that owner's satisfaction with the work of the organization remains high. There will be instances where owners will disagree with one another on issues, but their collective participation in the decision making process of the company/Federation is an accurate reflection of their continuing satisfaction with the work and operations of the company.	
PLAN FOR DATA ACQUISITION			
Data Source:		General Assembly meeting minutes	
Method of data acquisition:		project staff will record attendance from minutes provided by the Federation	
Data Acquisition Freq & Reporting:		Data will be acquired from each meeting and reported quarterly, then averaged annually.	
Estimated Cost of Data Acquisition:		N/A	
Individual responsible for data collection:		Kathy Walsh	
Individual responsible for project reporting data:		William R. Schultz	
Location of Data Storage:		Hard Copy: Project Files/USAID; Elect: Project Server/OneSource	
DATA QUALITY ISSUES (if used in USAID Annual Report)			
Date of Initial Data Quality Assessment:		TBD	
Known Data Limitations and Significance (if any):		none at this time	
Actions Taken or Planned to address Data Limitations:		none at this time	
Date of Future Data Quality Assessments:		TBD	
Procedures for Future Data Quality Assessments:		TBD	
OTHER NOTES:			
Notes on baselines/Targets:		No viable association exists at project startup, therefore the baseline for this indicator is 0. Targets are based on best estimates and will be adjusted to reflect realistic expectations as knowledge is gained. However, it is unrealistic to expect an average satisfaction of 100% because discontent is present in all organizations, anywhere in the world.	
Year	Target	Actual	Notes
2010		0	No Association exists at start-up, hence baseline = 0
2011	75%	69%	two General Assembly mtgs during last qtr of FY 11, 9 of 13 owners represented at each meeting.
2012	75%		
2013	75%		
2014	75%		
2015	75%		

Performance Indicator Reference Sheet (PIRS)

Performance Indicator # 1.2.1			
Program Objective:	4	Economic Growth	
Program Area:	4.3	Financial Sector	
Program Element:	4.3.1	Financial Sector Enabling Environment	
Long Term Objective:	Improve the enabling environment for private financial sector expansion through capacity building, legal and regulatory reform		
"F" indicator:	NO		
Is this a Custom "Project Specific" Indicator?:	YES		
Expected Result #:	1.2		
Expected Result Per Contract:	Stakeholder organization's capacity is developed to conduct policy research, public private dialogue, advocacy and public education efforts to achieve targeted priority reforms		
DESCRIPTION			
Indicator Title:	Number of policy research documents, public-private dialogue sessions, advocacy campaigns and public education measures		
Precise Definition(s):	The actual number of policy research, public-private dialogue, advocacy and public education efforts made by the private bankers association		
Unit of Measure:	Number documents, events, campaigns, publications		
Disaggregated by:	None		
Type: Output/Outcome:	Outcome		
Direction of Change:	Higher = Better		
Rationale:	This indicator measures the level of effort being made by the private bankers to develop the private financial sector on a sustainable basis		
PLAN FOR DATA ACQUISITION			
Data Source:	Stakeholder Associations, CBI, CoR other GOI entities, project records		
Method of data acquisition:	TBD		
Data Acquisition Freq & Reporting:	Quarterly		
Estimated Cost of Data Acquisition:	n/a/		
Individual responsible for data collection:	Kathy Walsh		
Individual responsible for project reporting data:	William R. Schultz		
Location of Data Storage:	Hard Copy: Project Files/USAID; Elect: Project Server/OneSource		
DATA QUALITY ISSUES (if used in USAID Annual Report)			
Date of Initial Data Quality Assessment:	TBD		
Known Data Limitations and Significance (if any):	none at this time		
Actions Taken or Planned to address Data Limitations:	none at this time		
Date of Future Data Quality Assessments:	TBD		
Procedures for Future Data Quality Assessments:	TBD		
OTHER NOTES:			
Notes on baselines/Targets:			
Year	Target	Actual	Notes
2010		0	There are no such efforts being made at this point
2011	0	0	Targets delayed by Federation focus on Registration. Rescheduled to begin in FY2012
2012	6		
2013	18		
2014	23		
2015	27		

Performance Indicator Reference Sheet (PIRS)

Performance Indicator # 1.3.1			
Program Objective:	4 Economic Growth		
Program Area:	4.3 Financial Sector		
Program Element:	4.3.1 Financial Sector Enabling Environment		
Long Term Objective:	Improve the enabling environment for private financial sector expansion through capacity building, legal and regulatory reform		
"F" indicator:	NO		
Is this a Custom "Project Specific" Indicator?	YES		
Expected Result #:	1.3		
Expected Result Per Contract:	Process of Iraqi-led, results-oriented, private-public dialogue among the industry association(s), the CBI, CoR and other GoI entities is in place and sustained		
DESCRIPTION			
Indicator Title:	Number of Public-Private Task Force events carried out for the purpose of bringing about necessary changes in the commercial banking sector.		
Precise Definition(s):	This indicator represents the number of events that is carried out by the public-private Task Force for the purpose of bringing about necessary change in the commercial banking sector.		
Unit of Measure:	Number of events		
Disaggregated by:	none		
type: output/outcome:	Output		
Direction of Change:	higher = better		
Rationale:	This indicator measures the effectiveness of the public-private Task Force and level of commitment to improving the private financial sector. An increasing or consistent volume of output (number) provides evidence of a sustained process within the association.		
PLAN FOR DATA ACQUISITION			
Data Source:	Stakeholder Associations, CBI, CoR or other GOI entities aggregated into USAID project records.		
Method of data acquisition:	Data will be accumulated as component staff monitor and support Task Force activities. A complete accounting will be conducted semi-annually and reported semi-annually.		
Data Acquisition Freq & Reporting:	Quarterly/Quarterly		
Estimated Cost of Data Acquisition:	N/A		
Individual responsible for data collection:	Kathy Walsh		
Individual responsible for project reporting data:	William R. Schultz		
Location of Data Storage:	Hard Copy: Project Files/USAID; Elect: Project Server/OneSource		
DATA QUALITY ISSUES (if used in USAID Annual Report)			
Date of Initial Data Quality Assessment:	TBD		
Known Data Limitations and Significance (if any):	none at this time		
Actions Taken or Planned to address Data Limitations:	none at this time		
Date of Future Data Quality Assessments:	TBD		
Procedures for Future Data Quality Assessments:	TBD		
OTHER NOTES:			
Notes on baselines/Targets:			
Year	Target	Actual	Notes
2010		0	No stakeholders at project startup
2011	0		
2012	3		
2013	4		
2014	4		
2015	4		

Performance Indicator Reference Sheet (PIRS)

Performance Indicator # 1.4.1			
Program Objective	4 Economic Growth		
Program Area	4.3 Financial Sector		
Program Element	4.3.1 Financial Sector Enabling Environment		
Long Term Objective	Improve the enabling environment for private financial sector expansion through capacity building, legal and regulatory reform		
"F" indicator	NO		
Is this a Custom "Project Specific" Indicator?	YES		
Expected Result #	1.4		
Expected Result Per Contract	Regional and international linkages with other such associations established		
DESCRIPTION			
Indicator Title:	Number of official linkages established between the Iraq Bankers Association(s) and regional and international bankers' associations as a result of USG assistance		
Precise Definition(s):	Number of linkages between associations are Letters of Agreement, MoU's or similar bi-lateral and multi-lateral agreements. Each type of agreement that is executed by the associations established by the project and similar associations in the region will be counted for this indicator.		
Unit of Measure:	Number of official, written affiliations		
Disaggregated by:	None		
Type: output/outcome:	Outcome		
Direction of Change:	Higher = better		
Rationale:	Linkages can legitimize relationships, foster communications and cooperation, joint activities, sharing of data and information, hosting delegations		
PLAN FOR DATA ACQUISITION			
Data Source:	Stakeholder Associations		
Method of data acquisition:	Association records/Program records		
Data Acquisition Freq & Reporting:	Annual Collection / Annual Report		
Estimated Cost of Data Acquisition:	TBD		
Individual responsible for data collection:	Kathy Walsh		
Individual responsible for project reporting data:	William R. Schultz		
Location of Data Storage:	Hard Copy: Project Files/USAID; Elect: Project Server/OneSource		
DATA QUALITY ISSUES (if used in USAID Annual Report)			
Date of Initial Data Quality Assessment:	TBD		
Known Data Limitations and Significance (if any):	none at this time		
Actions Taken or Planned to address Data Limitations:	none at this time		
Date of Future Data Quality Assessments:	TBD		
Procedures for Future Data Quality Assessments:	TBD		
OTHER NOTES:			
Notes on baselines/Targets:			
Year	Target	Actual	Notes
2010		0	No linkages currently exist
2011	0		
2012	2		
2013	3		
2014	3		
2015	4		

Performance Indicator Reference Sheet (PIRS)

Performance Indicator # 1.5.0			
Program Objective	4 Economic Growth		
Program Area	4.3 Financial Sector		
Program Element	4.3.1 Financial Sector Enabling Environment		
Long Term Objective	Create jobs by strengthening the private financial sector's ability to provide increased financial intermediation services		
"F" indicator	NO		
Is this a Custom "Project Specific" Indicator?	YES		
Expected Result #	1.5		
Expected Result Per Contract	Four to five targeted policy, legal, regulatory or administrative reforms implemented that quantitatively and qualitatively expand financial sector intermediation		
DESCRIPTION			
Indicator Title:	Four to Five targeted policy, legal, regulatory or administrative reforms are identified and reform efforts initiated.		
Precise Definitions:	As reforms are identified and a decision is made to begin efforts to implement reforms, the reform monitoring process will begin by being entered into the PMP and a count on this indicator will be made.		
Unit of Measure:	Number		
Disaggregated by:	none		
type: Output/Outcome:	Output		
Direction of Change:	Higher = Better		
Rationale:	The purpose of this indicator is to measure progress toward identifying reforms and that the process to initiate them has begun. Unique indicators will be assigned to each reform that has been identified under this indicator and will be tracked separately. I should be noted that though the initial target is 4-5 reforms, opportunities to increase targets are envisioned. If these opportunities become viable, the targets for this indicator will be adjusted accordingly. As a means to expedite the long process of reform, it is expected that necessary reforms will be identified and efforts will be initiated during the process of association formation through a series of bankers working sessions. Once identified, each reform will be assigned a new PMP Indicator with its own unique milestones following the guidance of <i>TIPS 14, monitoring the Policy and Reform Process</i> .		
PLAN FOR DATA ACQUISITION			
Data Source:	Project Records		
Method of data acquisition:	Component 1 project progress reports will be captured by the PMU		
Data Acquisition Freq & Reporting:	Quarterly Collection / Annual Report		
Estimated Cost of Data Acquisition:	N/A		
Individual responsible for data collection:	Kathy Walsh		
Individual responsible for project reporting data:	William R. Schultz		
Location of Data Storage:	Hard Copy: Project Files/USAID; Elect: Project Server/OneSource		
DATA QUALITY ISSUES (if used in USAID Annual Report)			
Date of Initial Data Quality Assessment:	TBD		
Known Data Limitations and Significance (if any):	None at this time		
Actions Taken or Planned to address Data Limitations:	none at this time		
Date of Future Data Quality Assessments:	TBD		
Procedures for Future Data Quality Assessments:	TBD		
OTHER NOTES:			
Notes on baselines/Targets: as of project start there have been no reforms targeted, therefore the baseline is 0			
Year	Target	Actual	Notes
2010		0	No reforms targeted at start up, therefore baseline = 0
2011	0	0	Targets delayed by Federation focus on Registration. Rescheduled to begin in FY2012
2012	4-5		Targets to be included as part of Federation Annual Plan
2013			
2014			
2015			

Performance Indicator Reference Sheet (PIRS)

Performance Indicator # 1.5.1 -1.5.5			
Program Objective	4 Economic Growth		
Program Area	4.3 Financial Sector		
Program Element	4.3.1 Financial Sector Enabling Environment		
Long Term Objective	Create jobs by strengthening the private financial sector's ability to provide increased financial intermediation services		
"F" indicator	NO		
Is this a Custom "Project Specific" Indicator?	YES		
Expected Result #	1.5		
Expected Result Per Contract	Four to five targeted policy, legal, regulatory or administrative reforms implemented that quantitatively and qualitatively expand financial sector intermediation		
DESCRIPTION			
Indicator Title:	Policy, Legal, Regulatory or Administrative Reform #1 Implementation Milestones		
Precise Definition(s):	The precise definition of indicators 1.5.1-1.5.5 will be determined when a targeted reform is identified and a decision is made by the Private Bankers Association (or other groups supported by the project) and a unique PIRS for each individual reform will be created. The indicator definition will depend on the type of reform that is targeted as well as the specific approach that is most appropriate to monitor the unique reform process. Definition and rationale for this indicator will follow the guidelines and recommendations contained in <i>TIPS 14: Monitoring the Policy and Reform Process</i> .		
Unit of Measure:	TBD		
Disaggregated by:	none		
type: Output/Outcome:	Output		
Direction of Change:	Higher = Better		
Rationale:	TBD		
PLAN FOR DATA ACQUISITION			
Data Source:	TBD		
Method of data acquisition:	TBD		
Data Acquisition Freq & Reporting:	Quarterly Collection / Annual Report		
Estimated Cost of Data Acquisition:	N/A		
Individual responsible for data collection:	Kathy Walsh		
Individual responsible for project reporting data:	William R. Schultz		
Location of Data Storage:	Hard Copy: Project Files/USAID; Elect: Project Server/OneSource		
DATA QUALITY ISSUES (if used in USAID Annual Report)			
Date of Initial Data Quality Assessment:	TBD		
Known Data Limitations and Significance (if any):	None at this time		
Actions Taken or Planned to address Data Limitations:	none at this time		
Date of Future Data Quality Assessments:	TBD		
Procedures for Future Data Quality Assessments:	TBD		
OTHER NOTES:			
Notes on baselines/Targets: All reform indicators will be set at the time the reform is identified and the process begins			
Year	Target	Actual	Notes
2010			
2011	0	0	Targets delayed by Federation focus on Registration. Rescheduled to begin in FY2012
2012	TBD		
2013	TBD		
2014	TBD		
2015	TBD		

**USAID Iraq Financial Development Project
Performance Management Plan (PMP) List of Indicators**

Component 2

USAID Long Term LTO1 Create jobs by strengthening the private financial sector's ability to provide increased financial intermediation services

Objectives (LTO): LTO2 Improve the enabling environment for private financial sector expansion through capacity building, legal and regulatory reform

											TARGETS					Cognizant Project Component				
Program Objective	Program Area	Program Element	Long Term Objective	PMP IR #	Intermediate Result (from contract)	PMP Indicator #	F Indicator	Indicator Title	Unit of Measure	Data Source	Frequency of Collection	Baseline	Associated Deliverable	Yr 1	Yr 2		Yr 3	Yr 4	Yr 5	5 Year Total
4	4.3	4.3.2	LTO1	2.1	A legal and regulatory framework for establishing a credit bureau is in place; and, a credit bureau is operational	2.1.1	F	4.3.2-2 Number of Material Improvements in the Infrastructure institutions that reduce Market Risks made this year with USG Assistance	Number of Improvements	Project Records	Annual	0	D219	0	0	1	0	0	1	2
						2.1.2		Milestones to putting the legal and regulatory framework in place and making a credit bureau operational.	Milestones (see PIRS)	Project and Stakeholder Documents	Quarterly	0	D211;D212; D213; D214; D215; D216; D217; D218	1-5	6-8	0	0	0	8	2
						2.1.3		Number of inquiries received by Credit Bureau	Number of Inquiries	Credit Bureau Records	Quarterly	0	D219	TBD	TBD	TBD	TBD	TBD	TBD	2
						2.1.4		Number of banks/NBFIs and other subscribers to bureau services	Number of Subscribers	Credit Bureau Records	Quarterly	0	D219	TBD	TBD	TBD	TBD	TBD	TBD	2
						2.1.5		Number of data records held by Credit Bureau	Number of Data Records	Credit Bureau Records	Quarterly	0	D219	TBD	TBD	TBD	TBD	TBD	TBD	2
4	4.3	4.3.1	LTO2	2.2	A sustainable organization/partnership for providing financial sector training and professional development is established and is able to deliver courses based on international standards and in response to financial sector requirements	2.2.1		Milestones to measure the steps necessary to establish The Banker's Training Institute that is sustainable and an effective industry training mechanism.	Milestones (see PIRS)	Project Records	Quarterly	0	D221; D222; D224; D228	1	2	2	1	2	8	2
						2.2.1a		Bankers Training Institute Sustainability Ratio	Ratio (see PIRS for Definition)	BTI Financial Records	Quarterly	0	D228	0%	5%	7%	10%	15%	15%	2
						2.2.2	F	4.3.2-1: Number of Financial Sector Professionals trained on international standards this year with USG assistance.	Total # of Professionals	Training Records	Annual	0	D223; D225; D226; D227	0	100	150	200	200	650	2
						2.2.2a	F	Number of Men	# Men	Training Records	Annual	0	D223; D225; D226; D227	0	TBD	TBD	TBD	TBD	TBD	2
						2.2.2b	F	Number of Women	#women	Training Records	Annual	0	D223; D225; D226; D227	0	TBD	TBD	TBD	TBD	TBD	2
4	4.3	4.3.2	LTO2	2.3	A comprehensive retail payments system is operational and a solution for a National Switch model is proposed.	2.3.1	F	4.3.2-2 Number of Material Improvements in the Infrastructure institutions that reduce Market Risks made this year with USG Assistance	Number of Improvements	Implementing Partners, project records	Annual	0	D231; D232	0	0	1	0	0	1	2
						2.3.1a		Phase I Completed	Milestones (see PIRS)	Project Records	Quarterly	0	D231	10	0	0	0	0	10	2
						2.3.1b		Phase II Completed	Milestones (see PIRS)	Project Records	Quarterly	0	D232	0	19	0	0	0	19	2
4	4.3	4.3.2	LTO2	2.4	CBI has a complete Request for Proposals for CORE system that could be issued for bid	2.4.1		An RFP for the CORE banking system is delivered to the CBI to carry out the solicitation	Milestones (see PIRS)	project Records	Quarterly	0	NONE	0	7	0	0	0	7	2
4	4.3	4.3.2	LTO2	2.5	CBI staff is trained on the new Centralized Data Repository reporting requirements and can manage the system	2.5.1		Phase 1 for the Data Depository System is completed	Milestones (see PIRS)	Project Records	Quarterly	0	D253	0	3	0	0	0	3	2
						2.5.2		Phase II for the Data Depository System is completed	Milestones (see PIRS)	Project Records	Quarterly	0	D254	0	0	2	0	0	2	2

Performance Indicator Reference Sheet (PIRS)

Performance Indicator # 2.1.1			
Program Objective	4 Economic Growth		
Program Area	4.3 Financial Sector		
Program Element	4.3.2 Financial Sector Capacity		
USAID Long Term Objective	Create jobs by strengthening the private financial sector's ability to provide increased financial intermediation services		
"F" indicator	YES		
Is this a Custom "Project Specific" Indicator?	NO		
Intermediate Result No:	2.1		
Expected Result Per Contract	A legal and regulatory framework for establishing a credit bureau is in place; and, a credit bureau is operational		
DESCRIPTION			
Indicator Title:	4.3.2-2 Number of Material Improvements in the infrastructure institutions that reduce market risks made this year with USG Assistance		
Precise Definition(s):	The number of improvements in the effectiveness, credibility, ease of access and inclusiveness of institutions that serve to reduce market lending risks, including property registries, collateral registries, credit bureaus, debt collection mechanisms, and court judgment enforcement mechanisms		
Unit of Measure:	Number of Improvements		
Disaggregated by:	None		
Type: Output/Outcome	Output		
Direction of Change:	Higher = better		
Rationale:	The core of financial intermediation is risk management. Any institution that serves to reduce market lending risks and loan recovery enables lenders to expand their lending to weaker clients, opening access to credit and lowering the cost of credit. Expanding access to credit enables economic factors to leverage their own resources and expand their economic activity, contributing to improved economic growth		
PLAN FOR DATA ACQUISITION			
Data Source:	Project Records		
Method of data acquisition:	TBD		
Data Acquisition Freq & Reporting:	Annual/Annual		
Estimated Cost of Data Acquisition:	N/A		
Individual responsible for data collection:	Mohammed Shohaieb/David Munro		
Individual responsible for project reporting data:	William R. Schultz		
Location of Data Storage:	Hard Copy: Project Files/USAID; Elect: Project Server/OneSource		
DATA QUALITY ISSUES (if used in USAID Annual Report)			
Date of Initial Data Quality Assessment:	TBD		
Known Data Limitations and Significance (if any):	none at this time		
Actions Taken or Planned to address Data Limitations:	none at this time		
Date of Future Data Quality Assessments:	TBD		
Procedures for Future Data Quality Assessments:	TBD		
OTHER NOTES:			
Notes on baselines/Targets:	No Improvements as of project Startup therefore Baseline = 0. This standard F indicator reflects only 1 improvement target: establishing a credit Bureau. The expected and actual results will be aggregated with other project components with 4.3.2-2 Indicators.		
Year	Target	Actual	Notes
2010		0	number of Improvements, Credit Bureau Established
2011			
2012			
2013	1		Work is complete and Credit Bureau is Operational in Yr 3
2014			
2015			

Performance Indicator Reference Sheet (PIRS)

Performance Indicator # 2.1.2			
Program Objective	4 Economic Growth		
Program Area	4.3 Financial Sector		
Program Element	4.3.2 Financial Sector Capacity		
USAID Long Term Objective	Create jobs by strengthening the private financial sector's ability to provide increased financial intermediation services		
"F" indicator	NO		
Is this a Custom "Project Specific" Indicator?	YES		
Intermediate Result No:	2.1		
Expected Result Per Contract	A legal and regulatory framework for establishing a credit bureau is in place; and, a credit bureau is operational		
DESCRIPTION			
Indicator Title:	Milestones to measure the steps of putting the legal and regulatory framework in place and making a credit bureau operational.		
Precise Definition(s):	These milestones are found in the project Work Plan and described in detail, including the estimated timeline for achieving them. The following eight (8) fundamental milestones will be tracked for this indicator:		
	1) Public-private Steering Committee for Design of Credit Bureau Established		
	2) GOI Commitment Confirmed		
	3) Iraqi Driven Credit Bureau Business Plan and Model Developed		
	4) Legal and Regulatory Requirements for Credit Bureau Identified and Recommendations for Needed Changes Drafted		
	5) Public Education Campaign(s) Launched to Inform Public About the Role of a Credit Bureau in the Financial Sector		
	6) Sources of Data and Data Requirements for Launch of Credit Bureau Resolved		
	7) Legal and Regulatory Requirements for Credit Bureau are implemented		
8) Credit Bureau Operations Initiated			
Unit of Measure:	Milestone		
Disaggregated by:	none		
Type: Output/Outcome	Output		
Direction of Change:	1-8, 8 = complete		
Rationale:	This milestone indicator is useful to management in measuring progress toward achieving the expected result in clearly defined steps, including a timeline for completion.		
PLAN FOR DATA ACQUISITION			
Data Source:	Project and stakeholder documentation		
Method of data acquisition:	Component 2 staff will collect evidential documentation as it becomes available and submit it to the M&E Department.		
Data Acquisition Freq & Reporting:	Quarterly/Quarterly		
Estimated Cost of Data Acquisition:	N/A		
Individual responsible for data collection:	Mohammed Shohaieb/David Munro		
Individual responsible for project reporting data:	William R. Schultz		
Location of Data Storage:	Hard Copy: Project Files/USAID; Elect: Project Server/OneSource		
DATA QUALITY ISSUES (if used in USAID Annual Report)			
Date of Initial Data Quality Assessment:	TBD		
Known Data Limitations and Significance (if any):	none at this time		
Actions Taken or Planned to address Data Limitations:	none at this time		
Date of Future Data Quality Assessments:	TBD		
Procedures for Future Data Quality Assessments:	TBD		
OTHER NOTES:			
Notes on baselines/Targets:	Since no work as commenced as of project start-up, baseline is 0. Targets are sequential milestone numbers.		
Year	Target	Actual	Notes
2010		0	Milestone Number achieved
2011	1-3		Milestones 1-3 are completed in year 1
2012	3-8		Milestones 4-8 are completed in year 2
2013			
2014			
2015			

Performance Indicator Reference Sheet (PIRS)

Performance Indicator # 2.1.3			
Program Objective	4 Economic Growth		
Program Area	4.3 Financial Sector		
Program Element	4.3.2 Financial Sector Capacity		
USAID Long Term Objective	Create jobs by strengthening the private financial sector's ability to provide increased financial intermediation services		
"F" indicator	NO		
Is this a Custom "Project Specific" Indicator?	YES		
Intermediate Result No:	2.1		
Expected Result Per Contract	A legal and regulatory framework for establishing a credit bureau is in place; and, a credit bureau is operational		
DESCRIPTION			
Indicator Title:	Number of Inquiries received by Credit Bureau		
Precise Definition(s):	This is the number of requests received from lenders regarding the credit history of potential new clients.		
Unit of Measure:	Number of Inquiries		
Disaggregated by:	none		
Type: Output/Outcome:	Output		
Direction of Change:	Higher = Better		
Rationale:	In a functioning credit bureau the number of credit records inquiries indicates that lenders are using the system as intended.		
PLAN FOR DATA ACQUISITION			
Data Source:	Credit Bureau Records		
Method of data acquisition:	Component 2 staff will collect evidencial documentation as it becomes available and submit it to the M&E Department.		
Data Acquisition Freq & Reporting:	Quarterly/Quarterly		
Estimated Cost of Data Acquisition:	N/A		
Individual responsible for data collection:	Mohammed Shohaieb/David Munro		
Individual responsible for project reporting data:	William R. Schultz		
Location of Data Storage:	Hard Copy: Project Files/USAID; Elect: Project Server/OneSource		
DATA QUALITY ISSUES (if used in USAID Annual Report)			
Date of Initial Data Quality Assessment:	TBD		
Known Data Limitations and Significance (if any):	none at this time		
Actions Taken or Planned to address Data Limitations:	none at this time		
Date of Future Data Quality Assessments:	TBD		
Procedures for Future Data Quality Assessments:	TBD		
OTHER NOTES:			
Notes on baselines/Targets:	Since a credit bureau does not exist as of start-up, the baseline is 0. The Iraq Credit Bureau will establish indicator targets based on an assessment of the observations of actual data recorded during start-up operations		
Year	Target	Actual	Notes
2010		0	Number of Inquiries
2011			
2012			
2013			
2014			
2015			

Performance Indicator Reference Sheet (PIRS)

Performance Indicator # 2.1.4			
Program Objective	4 Economic Growth		
Program Area	4.3 Financial Sector		
Program Element			
USAID Long Term Objective	Create jobs by strengthening the private financial sector's ability to provide increased financial intermediation services		
"F" indicator	NO		
Is this a Custom "Project Specific" Indicator?	YES		
Intermediate Result No:	2.1		
Expected Result Per Contract	A legal and regulatory framework for establishing a credit bureau is in place; and, a credit bureau is operational		
DESCRIPTION			
Indicator Title:	Number of banks/NBFIs and other subscribers to Credit Bureau services		
Precise Definition(s):	The number of paid subscribers are the number of institutions that are officially signed on to the Credit Bureau for both reporting and receiving credit information on potential borrowers.		
Unit of Measure:	Number of Subscribers		
Disaggregated by:	none		
Type: Output/Outcome:	Outcome		
Direction of Change:	Higher = Better		
Rationale:	The number of paid subscribers to the credit bureau services is indicative of active operations in place and therefore a measure of the intended result.		
PLAN FOR DATA ACQUISITION			
Data Source:	Credit Bureau Records		
Method of data acquisition:	Component 2 staff will collect evidencial documentation as it becomes available and submit it to the M&E Department.		
Data Acquisition Freq & Reporting:	Quarterly/Quarterly		
Estimated Cost of Data Acquisition:	N/A		
Individual responsible for data collection:	Mohammed Shohaieb/David Munro		
Individual responsible for project reporting data:	William R. Schultz		
Location of Data Storage:	Hard Copy: Project Files/USAID; Elect: Project Server/OneSource		
DATA QUALITY ISSUES (if used in USAID Annual Report)			
Date of Initial Data Quality Assessment:	TBD		
Known Data Limitations and Significance (if any):	none at this time		
Actions Taken or Planned to address Data Limitations:	none at this time		
Date of Future Data Quality Assessments:	TBD		
Procedures for Future Data Quality Assessments:	TBD		
OTHER NOTES:			
Notes on baselines/Targets:	Since a credit bureau does not exist as of start-up, the baseline is 0. The Iraq Credit Bureau will establish indicator targets based on an assessment of the observations of actual data recorded during start-up operations		
Year	Target	Actual	Notes
2010			Enter Baseline Data description here - be specific
2011			
2012			
2013			
2014			
2015			

Performance Indicator Reference Sheet (PIRS)

Performance Indicator # 2.1.5			
Program Objective	4 Economic Growth		
Program Area	4.3 Financial Sector		
Program Element	4.3.2 Financial Sector Capacity		
USAID Long Term Objective	Create jobs by strengthening the private financial sector's ability to provide increased financial intermediation services		
"F" indicator	NO		
Is this a Custom "Project Specific" Indicator?	YES		
Intermediate Result No:	2.1		
Expected Result Per Contract	A legal and regulatory framework for establishing a credit bureau is in place; and, a credit bureau is operational		
DESCRIPTION			
Indicator Title:	Number of Data Records held by Credit Bureau		
Precise Definition(s):	This is the number of credit records for individual bank/NBFI customers reported and held by the Credit Bureau which are used as the basis for issuing credit reports.		
Unit of Measure:	Number of Data Records		
Disaggregated by:	none		
Type: Output/Outcome:	Output		
Direction of Change:	Higher = Better		
Rationale:	The number of data records is another indicator that the credit bureau is operational as intended. Without banks reporting credit history of their clients, the credit bureau would not function. Likewise, if the number of credit records is very low, the credit bureau's effectiveness is greatly diminished.		
PLAN FOR DATA ACQUISITION			
Data Source:	Credit Bureau Records		
Method of data acquisition:	Component 2 staff will collect evidencial documentation as it becomes available and submit it to the M&E Department.		
Data Acquisition Freq & Reporting:	Quarterly/Quarterly		
Estimated Cost of Data Acquisition:	N/A		
Individual responsible for data collection:	Mohammed Shohaieb/David Munro		
Individual responsible for project reporting data:	William R. Schultz		
Location of Data Storage:	Hard Copy: Project Files/USAID; Elect: Project Server/OneSource		
DATA QUALITY ISSUES (if used in USAID Annual Report)			
Date of Initial Data Quality Assessment:	TBD		
Known Data Limitations and Significance (if any):	none at this time		
Actions Taken or Planned to address Data Limitations:	none at this time		
Date of Future Data Quality Assessments:	TBD		
Procedures for Future Data Quality Assessments:	TBD		
OTHER NOTES:			
Notes on baselines/Targets:	Since a credit bureau does not exist as of start-up, the baseline is 0. The Iraq Credit Bureau will establish indicator targets based on an assessment of the observations of actual data recorded during start-up operations		
Year	Target	Actual	Notes
2010			Enter Baseline Data description here - be specific
2011			
2012			
2013			
2014			
2015			

Performance Indicator Reference Sheet (PIRS)

Performance Indicator # 2.2.1			
Program Objective	4 Economic Growth		
Program Area	4.3 Financial Sector		
Program Element	4.3.1 Financial Sector Enabling Environment		
USAID Long Term Objective	Improve the enabling environment for private financial sector expansion through capacity building, legal and regulatory reform		
"F" indicator	NO		
Is this a Custom "Project Specific" Indicator?	YES		
Intermediate Result No:	2.2		
Expected Result Per Contract	A sustainable organization/partnership for providing financial sector training and professional development is established		
DESCRIPTION			
Indicator Title:	Milestones to measure the steps necessary to establish The Banker's Training Institute that is sustainable and an effective industry training mechanism.		
Precise Description:	The following milestones are described in detail, including the estimated timeline for achieving them, in the project Work Plan. The eight (8) fundamental milestones below (reference numbers correspond to the work plan: D2.2.1 - D2.2.8) will be tracked and reported for this indicator:		
	D2.2.1) Business Plan and Model for Bank Training Institute completed		
	D2.2.2) Bank Training Institute Established		
	D2.2.3) Training of Trainers and Curriculum Development completed		
	D2.2.4) Regional Linkages to Other Bank Institutes Established		
	D2.2.5) Bank Training Institute Expands Number of Courses Offered		
	D2.2.6) Bank Institute Starts Offering Certificate Programs		
	D2.2.7) Bank Institute Continues to Expand its Number of Courses Offered		
	D2.2.8) Bank Training Institute Established and Sustainable with Program Courses and Materials, Training of Trainers, etc.		
Unit of Measure:	Milestones		
Disaggregated by:	none		
Type: Output/Outcome:	Output		
Direction of Change:	sequential progression to completion: D2.2.1= step 1, D2.2.8 = Final step, result achieved		
Rationale:	This milestone indicator is useful to management in measuring progress toward achieving the expected result in clearly defined steps, including a timeline for completion. The expected result and associated milestones themselves are dictated by the project contract.		
PLAN FOR DATA ACQUISITION			
Data Source:	Project Records		
Method of data acquisition:	Component 2 staff will collect evidential documentation as it becomes available and submit it to the M&E Department.		
Data Acquisition Freq & Reporting:	Quarterly Collection / Quarterly Report		
Estimated Cost of Data Acquisition:	N/a		
Individual responsible for data collection:	Bob Viernum/David Munro		
Individual responsible for project reporting data:	William R. Schultz		
Location of Data Storage:	Hardcopy, Project Files & USAID; Electronic: Project Servers/OneSource		
DATA QUALITY ISSUES (if used in USAID Annual Report)			
Date of Initial Data Quality Assessment:	TBD		
Known Data Limitations and Significance (if any):	Milestone D2.2.8 appears to be ambiguous, lacks specific definition in the contract.		
Actions Taken or Planned to address Data Limitations:	Discuss with USAID COTR/M&E Specialist to clearly define the deliverables established in the contract as actionable steps to achieving the stated goal. (See USAID ADS 203.4.2a)		
Date of Future Data Quality Assessments:	TBD		
Procedures for Future Data Quality Assessments:	TBD		
OTHER NOTES:			
Notes on baselines/Targets:	As of project startup no work has been initiated so baseline is 0		
Year	Target	Actual	Notes
2010		0	Milestones to achieve establishing the Bankers Training Institute.
2011	1		D2.2.1 has been completed in Year 1
2012	2		D2.2.2-D2.2.4 completed in Year 2
2013	2		D2.2.5-D2.2.6 completed in Year 3
2014	1		D2.2.7, expansion achieved in Year 4 & 5
2015	2		D2.2.7, expansion continues, D2.2.8-Bankers Inst. In place.

Performance Indicator Reference Sheet (PIRS)

Performance Indicator # 2.2.1a			
Program Objective	4 Economic Growth		
Program Area	4.3 Financial Sector		
Program Element	4.3.1 Financial Sector Enabling Environment		
USAID Long Term Objective	building, legal and regulatory reform		
"F" indicator	NO		
Is this a Custom "Project Specific" Indicator?	YES		
Intermediate Result No:	2.2		
Expected Result Per Contract	A sustainable organization/partnership for providing financial sector training and professional development is established		
DESCRIPTION			
Indicator Title:	Bankers Training Institute Sustainability Ratio		
Precise Description:	Sustainability of the Bankers Training Institute (BTI) is measured as a percent of operating costs covered by user fees to indicate both financial and intellectual sustainability: Total User Fees paid by the private banks / Total Operating Costs.		
Unit of Measure:	Percentage		
Disaggregated by:	none		
Type: Output/Outcome:	Output		
Direction of Change:	Higher = better		
Rationale:	The BTI is a quasi-government institution established by Law # 36/ 1999 which means that operational costs will be covered by the government and by private bank user fees. Assuming that user fee scales will remain constant during the life of the program, a trend of higher percentage of costs being covered by private bank user fees over time will indicate that the institution has increasing value to the commercial private banks because more of their employees, staff and managers are participating in its programs, indicating a reasonably sustainable quasi-governmental institution. It is estimated that state banks comprise approximately 85% of the commercial banking sector. Therefore, If user fees paid by state banks rise to 15% of operating costs, this would indicate a 15/85 share of costs of all stakeholders, suggesting that the institution sustainability is equitably shared between the private sector and government.		
PLAN FOR DATA ACQUISITION			
Data Source:	Bankers Training Institute Financial Records		
Method of data acquisition:	Component 2 staff will collect evidential documentation as it becomes available and submit it to the M&E Department.		
Data Acquisition Freq & Reporting:	Quarterly Collection / Quarterly Report		
Estimated Cost of Data Acquisition:	N/A		
Individual responsible for data collection:	Bob Viernum/David Munro		
Individual responsible for project reporting data:	William R. Schultz		
Location of Data Storage:	Hardcopy, Project Files & USAID; Electronic: Project Servers/OneSource		
DATA QUALITY ISSUES (if used in USAID Annual Report)			
Date of Initial Data Quality Assessment:	TBD		
Known Data Limitations and Significance (if any):	User Fees may not remain constant, which may skew the indicator over time.		
Actions Taken or Planned to address Data Limitations:	In the event fluctuating fees are evident, it may become necessary to adjust targets or establish constants for the purpose of calculating shared operational cost coverage. Also, if the sector share between the private banks and state-owned banks changes targets will necessarily need to be revised accordingly.		
Date of Future Data Quality Assessments:	TBD		
Procedures for Future Data Quality Assessments:	TBD		
OTHER NOTES:			
Notes on baselines/Targets:	As of project startup no work has been initiated so baseline is 0		
Year	Target	Actual	Notes
2010		0	At Start of project baseline is 0
2011	0%		Design and setup of the BTI
2012	5%		
2013	7%		
2014	10%		
2015	15%		

Performance Indicator Reference Sheet (PIRS)

Performance Indicator # 2.2.2, a & b			
Program Objective	4 Economic Growth		
Program Area	4.3 Financial Sector		
Program Element	4.3.1 Financial Sector Enabling Environment		
USAID Long Term Objective	Improve the enabling environment for private financial sector expansion through capacity building, legal and regulatory reform		
"F" indicator	YES		
Is this a Custom "Project Specific" Indicator?	NO		
Intermediate Result No:	2.2		
Expected Result Per Contract	Bankers Training Institute is able to deliver courses based on international standards and in response to financial sector requirements		
DESCRIPTION			
Indicator Title:	4.3.2-1 Number of Financial Sector Professionals trained on international standards this year with USG Assistance		
Precise Definition(s):	The number of financial sector professionals – accountants, actuaries, insurance and pension specialists, bankers and other individuals that manage financial institutions, manage risk or provide operating services to the financial market that have been trained as a result of USG training activities (excluding supervisory staff, which is measured separately.)		
Unit of Measure:	number of professionals		
Disaggregated by:	gender (men 2.2.2a/women 2.2.2b)		
Type: Output/Outcome:	Output		
Rationale:	A typical bank lending officer in a developed market will have an MBA or accounting degree, followed by up to five years of mentoring by experienced senior lenders before (s)he is qualified to assume any significant lending authority. In most developing countries, the education system does not provide a comparable base, and senior lenders often do not themselves have the technical skills to teach. Other financial sector specialists require a similar extensive learning curve before they can be reliable practitioners. Training programs that compensate for these gaps in skills development opportunities can substantially accelerate the rate at which a country can form the professionals needed to expand the economy		
PLAN FOR DATA ACQUISITION			
Data Source:	Training Event Request Forms and Post-training documents		
Method of data acquisition:	Project Training Coordinator to report data to person responsible for data collection		
Data Acquisition Freq & Reporting:	Annual/Annual		
Estimated Cost of Data Acquisition:	N/A		
Individual responsible for data collection:	Bob Viernum/David Munro		
Individual responsible for project reporting data:	William R. Schultz		
Location of Data Storage:	Hard Copy: Project Files/USAID; Elect: Project Server/OneSource		
DATA QUALITY ISSUES (if used in USAID Annual Report)			
Date of Initial Data Quality Assessment:	TBD		
Known Data Limitations and Significance (if any):	none at this time		
Actions Taken or Planned to address Data Limitations:	none at this time		
Date of Future Data Quality Assessments:	TBD		
Procedures for Future Data Quality Assessments:	TBD		
OTHER NOTES:			
Notes on baselines/Targets:	No Improvements as of project Startup therefore Baseline = 0. This standard F indicator reflects only one component element: Establishing a Banker's Training Institute. The expected and actual results will be aggregated with other project components with a 4.3.2-1 Indicator.		
Year	Target	Actual	Notes
2010		0	Total number of professionals Trained each year
2011	0		
2012	100		
2013	150		
2014	200		
2015	200		
2010		0	Total number of professionals Trained (Men)
2011	TBD		
2012	TBD		
2013	TBD		
2014	TBD		
2015	TBD		
2010		0	Total number of professionals Trained (women)
2011	TBD		
2012	TBD		
2013	TBD		
2014	TBD		
2015	TBD		

Performance Indicator Reference Sheet (PIRS)

Performance Indicator # 2.3.1			
Program Objective	4 Economic Growth		
Program Area	4.3 Financial Sector		
Program Element	4.3.2 Financial Sector Capacity		
USAID Long Term Objective	Improve the enabling environment for private financial sector expansion through capacity building, legal and regulatory reform		
"F" indicator	YES		
Is this a Custom "Project Specific" Indicator?	NO		
Intermediate Result No:	2.3		
Expected Result Per Contract	A comprehensive retail payments system is operational and a solution for a National Switch model is proposed.		
DESCRIPTION			
Indicator Title:	4.3.2-2 Number of Material Improvements in the infrastructure institutions that reduce market risks made this year with USG Assistance		
Precise Definition(s):	The number of improvements in the effectiveness, credibility, ease of access and inclusiveness of institutions that serve to reduce market lending risks, including property registries, collateral registries, credit bureaus, debt collection mechanisms, and court judgment enforcement mechanisms		
Unit of Measure:	Number of Improvements		
Disaggregated by:	none		
Type: Output/Outcome:	Outcome		
Direction of Change:	Higher = better		
Rationale:	The core of financial intermediation is risk management. Any institution that serves to reduce market lending risks and loan recovery enables lenders to expand their lending to weaker clients, opening access to credit and lowering the cost of credit. Expanding access to credit enables economic factors to leverage their own resources and expand their economic activity, contributing to improved economic growth		
PLAN FOR DATA ACQUISITION			
Data Source:	Project Records		
Method of data acquisition:	TBD		
Data Acquisition Freq & Reporting:	Annual/Annual		
Estimated Cost of Data Acquisition:	N/A		
Individual responsible for data collection:	David Munro		
Individual responsible for project reporting data:	William R. Schultz		
Location of Data Storage:	Hard Copy: Project Files/USAID; Elect: Project Server/OneSource		
DATA QUALITY ISSUES (if used in USAID Annual Report)			
Date of Initial Data Quality Assessment:	TBD		
Known Data Limitations and Significance (if any):	none at this time		
Actions Taken or Planned to address Data Limitations:	none at this time		
Date of Future Data Quality Assessments:	TBD		
Procedures for Future Data Quality Assessments:	TBD		
OTHER NOTES:			
Notes on baselines/Targets:	No Improvements as of project Startup therefore Baseline = 0. This standard F indicator reflects only 1 improvement target: establishing a retail payment system. The expected and actual results will be aggregated with other project components with 4.3.2-2 Indicators.		
Year	Target	Actual	Notes
2010			Enter Baseline Data description here - be specific
2011			
2012			
2013	1		Phase I and II have been completed, an IPS is functional
2014			
2015			

Performance Indicator Reference Sheet (PIRS)

Performance Indicator # 2.3.1a			
Program Objective	4 Economic Growth		
Program Area	4.3 Financial Sector		
Program Element	4.3.2 Financial Sector Capacity		
USAID Long Term Objective	Improve the enabling environment for private financial sector expansion through capacity building, legal and regulatory reform		
"F" indicator	NO		
Is this a Custom "Project Specific" Indicator?	YES		
Intermediate Result No:	2.3		
Expected Result Per Contract	A comprehensive retail payments system is operational and a solution for a National Switch model is proposed.		
DESCRIPTION			
Indicator Title:	Achievement of Phase I of the retail payment system		
Precise Definition(s):	This is a milestone indicator. The 10 Workplan Milestones that will be tracked are specific tasks detailed in the project contract and approved work plan including the timeline for their completion. (milestone reference numbers coorespond to those in the Workplan: D2.3.1.1a-j). The tasks are as follows:		
	D2.3.1.1 a) Examine existing laws and regulations to identify problems, weaknesses and gaps		
	D2.3.1.1 b) Review similar regulations used in other countries		
	D2.3.1.1 c) Identify topics to put into law versus those which should be left open for CBI to regulate		
	D2.3.1.1 d) Identify technical standards that need to be mandated in regulations		
	D2.3.1.1 e) Develop recommendations for corrective action in consultation with CBI legal department		
	D2.3.1.1 f) Examine current governance situation and advising on the form of a national payments council in interbank working groups for the future development of IPS		
	D2.3.1.1 g) Draft revised regulations as necessary		
	D2.3.1.1 h) Review and modify draft regulations based on input from CBI legal department and expert payment systems lawyers and CBI payments department		
	D2.3.1.1. i) Arrange for translation of drafts into Arabic and agree with CBI legal department		
	D2.3.1.1. j) Review implementation and report to CBI		
	Unit of Measure:	Milestones	
Disaggregated by:	none		
Type: Output/Outcome:	Output		
Direction of Change:	sequential progression to completion: D2.3.1.1a = step 1, D2.3.1.1j = Final step, result achieved		
Rationale:	This milestone indicator is useful to management in measuring progress toward achieving the expected result (IR 2.3) in clearly defined steps, including a timeline for completion.		
PLAN FOR DATA ACQUISITION			
Data Source:	Project and stakeholder documentation		
Method of data acquisition:	Component 2 staff will collect evidential documentation as it becomes available and submit it to the M&E Department.		
Data Acquisition Freq & Reporting:	Quarterly Collection / Quarterly Report		
Estimated Cost of Data Acquisition:	N/A		
Individual responsible for data collection:	David Munro		
Individual responsible for project reporting data:	William R. Schultz		
Location of Data Storage:	Hard Copy: Project Files/USAID; Elect: Project Server/OneSource		
DATA QUALITY ISSUES (if used in USAID Annual Report)			
Date of Initial Data Quality Assessment:	TBD		
Known Data Limitations and Significance (if any):	none at this time		
Actions Taken or Planned to address Data Limitations:	none at this time		
Date of Future Data Quality Assessments:	TBD		
Procedures for Future Data Quality Assessments:	TBD		
OTHER NOTES:			
Notes on baselines/Targets:	Since no work as commenced as of project start-up, baseline is 0.		
Year	Target	Actual	Notes
2010		0	Milestones completed
2011	10	7	7 of 10 milestones have been completed and work has progressed to year 2. Milestones 8, 9 and 10 are being completed by the CBI.
2012			
2013			
2014			
2015			

Performance Indicator Reference Sheet (PIRS)

Performance Indicator # 2.3.1b			
Program Objective	4 Economic Growth		
Program Area	4.3 Financial Sector		
Program Element	4.3.2 Financial Sector Capacity		
USAID Long Term Objective	Improve the enabling environment for private financial sector expansion through capacity building legal and regulatory reform		
"F" indicator	NO		
Is this a Custom "Project Specific" Indicator?	YES		
Intermediate Result No.	2.3		
Expected Result Per Contract	A comprehensive retail payments system is operational and a solution for a National Switch model is proposed.		
DESCRIPTION			
Indicator Title:	Achievement of Phase II of the retail payment system		
Precise Definition(s):	<p>This is a milestone indicator in two sections: D2.3.2.1-Enhancements of the IPS infrastructure to Support Retail Banking; and, D2.3.2.2- Participate in the Selction Process of a National Switch Provider. The Workplan Milestones that will be tracked are specific tasks detailed in the project contract and approved work plan including the timeline for their completion. (milestone reference numbers coorespond to those in the Workplan: D2.3.2.1a-j and D2.3.2.2a-i). The tracked tasks are as follows:</p> <p align="center">D2.3.2.1-Enhancements of the IPS infrastructure to Support Retail Banking</p> <p>a) Develop recommendations towards an enhanced retail payments systems infrastructure for Iraq b) Identify feasible model for implementation of a National EFTPOS / ATM Switch c) Assess approaches for inclusion of mobile payments d) Develop budgets for the procurement of a National Switch and a National Mobile Payment system e) Identify sources for funding of the Iraq Retail Infrastructure Enhancement program f) Evaluate models vs. Iraq needs g) Prepare outline proposal/priorities to implement h) Review the Proposal for the EFTPOS/ ATM Switch and MPS implementation with the CBI i) Prepare report/ presentations j) Deliver presentations to the members of IPS and facilitate discussion</p> <p align="center">D2.3.2.2- Participate in the Selction Process of a National Switch Provider</p> <p>a) Prepare detailed specification for national switch including agreed principles b) Prepare detailed requirements for national mobile c) Prepare RFI to pre-qualify supplier consortia d) Agree and issue RFI e) Prepare full RFP f) Evaluate RFI responses and select short list g) Agree and issue RFP h) Evaluate RFP responses i) Assist in negotiations with supplier</p>		
Unit of Measure:	milestone		
Disaggregated by:	none		
Type: Output/Outcome:	Output		
Drection of Change:	sequential progression to completion: D2.3.2.1a = step 1, D2.3.2.1j = Final step, result achieved; D2.3.2.2a = step 1, D2.3.2.2i = final step, result achieved.		
Rationale:	This milestone indicator is useful to management in measuring progress toward achieving the expected result (IR 2.3) in clearly defined steps, including a timeline for completion.		
PLAN FOR DATA ACQUISITION			
Data Source:	Project and stakeholder documentation		
Method of data acquisition:	Component 2 staff will collect evidential documentation as it becomes available and submit it to the M&E Department.		
Data Acquisition Freq & Reporting:	Quarterly Collection / Quarterly Report		
Estimated Cost of Data Acquisition:	N/A		
Individual responsible for data collection:	David Munro		
Individual responsible for project reporting data:	William R. Schultz		
Location of Data Storage:	Hard Copy: Project Files/USAID; Elect: Project Server/OneSource		
DATA QUALITY ISSUES (if used in USAID Annual Report)			
Date of Initial Data Quality Assessment:	TBD		
Known Data Limitations and Significance (if any):	none at this time		
Actions Taken or Planned to address Data Limitations:	none at this time		
Date of Future Data Quality Assessments:	TBD		
Procedures for Future Data Quality Assessments:	TBD		
OTHER NOTES:			
Notes on baselines/Targets:	Because no work as commenced at project Start-up, the baseline is 0.		
Year	Target	Actual	Notes
2010		0	number of Milestones for D2.3.2.1 (a-j) completed
2011			
2012	10		All 10 milestones to be completed, IPS is operational
2013			
2014			
2015			
2010		0	Number of Milestones for D2.3.2.2 (a-i) completed
2011			
2012	9		All 9 milestones completed, a National Switch is being procured
2013			
2014			
2015			

Performance Indicator Reference Sheet (PIRS)

Performance Indicator # 2.4.1			
Program Objective	4 Economic Growth		
Program Area	4.3 Financial Sector		
Program Element	4.3.2 Financial Sector Capacity		
USAID Long Term Objective	Improve the enabling environment for private financial sector expansion through capacity building, legal and regulatory reform		
"F" indicator	YES		
Is this a Custom "Project Specific" Indicator?	NO		
Intermediate Result No:	2.4		
Expected Result Per Contract	CBI has a complete Request for Proposals for CORE system that could be issued for bid		
DESCRIPTION			
Indicator Title:	An RFP for the CORE banking system is delivered to the CBI to carry out the solicitation		
Precise Definition(s):	The project prepares the RFP for the CORE Banking system and delivers it to the CBI in both English and Arabic translations. There are seven (7) fundamental steps/milestones to achieving this result:		
	IR2.4a(i)	Draft Request for Information (RFI) to distribute to companies providing Core Banking Systems for Central banks to gather information regarding their systems, needed for inclusion in the RFP	
	IR2.4a(ii)	Incorporate standard RFP sections already approved from review of the RPSI RFP	
	IR2.4a(iii)	Issue RFI, and analyze the responses	
	IR2.4a(iv)	Create IT assessment tool to determine current IT status at CBI main offices and branches, to obtain information to be included in the RFP	
	IR2.4a(v)	Obtain approval from CBI to assign resources to perform the IT assessment, train the resources, and execute the assessment	
	IR2.4a(vi)	Translation of the RFP (subject to timely translation service)	
	IR2.4a(vii)	Submit the Arabic and English version of the RFP to the CBI to issue the solicitation.	
Unit of Measure:	Milestone		
Disaggregated by:	none		
Type: Output/Outcome:	Output		
Direction of change:	Higher = better, highest number is 7		
Rationale:	This milestone indicator is useful to management in measuring progress toward achieving the expected result (IR 2.4) in clearly defined steps, including a timeline for completion.		
PLAN FOR DATA ACQUISITION			
Data Source:	Project Records		
Method of data acquisition:	TBD		
Data Acquisition Freq & Reporting:	Quarterly		
Estimated Cost of Data Acquisition:	N/A		
Individual responsible for data collection:	Gary Dinoia/TL Comp 3		
Individual responsible for project reporting data:	William R. Schultz		
Location of Data Storage:	Hard Copy: Project Files/USAID; Elect: Project Server/OneSource		
DATA QUALITY ISSUES (if used in USAID Annual Report)			
Date of Initial Data Quality Assessment:	TBD		
Known Data Limitations and Significance (if any):	none at this time		
Actions Taken or Planned to address Data Limitations:	none at this time		
Date of Future Data Quality Assessments:	TBD		
Procedures for Future Data Quality Assessments:	TBD		
OTHER NOTES:			
Notes on baselines/Targets:	as of the date of the first modification to the project contract, no work has started on the milestones, therefore the baseline is zero. Targets are established by the approved workplan.		
Year	Target	Actual	Notes
2010		0	
2011	0	0	
2012	1-7		All seven milestones are expected to be achieved by Feb FY 2012
2013			
2014			
2015			

Performance Indicator Reference Sheet (PIRS)

Performance Indicator # 2.5.1			
Program Objective	4 Economic Growth		
Program Area	4.3 Financial Sector		
Program Element	4.3.1 Financial Sector Enabling Environment		
USAID Long Term Objective	building, legal and regulatory reform		
"F" indicator	NO		
Is this a Custom "Project Specific" Indicator?	YES		
Intermediate Result No:	2.4		
Expected Result Per Contract	CBI has a complete Request for Proposals for CORE system that could be issued for bid		
DESCRIPTION			
Indicator Title:	Phase I for the Data Repository System is completed		
Precise Definition(s):	This is a milestone indicator. The 3 Primary Workplan Milestones that will be tracked are specific tasks detailed in the project contract and approved work plan including sub-tasks and the timeline for their completion. (milestone reference numbers coorespond to those in the Workplan: D2.5.3a-c. The tasks are as follows:		
	D2.5.3.a	Develop and Implement an "Education and Awareness" plan of the new reporting requirements within the reporting entities and CBI Staff	
	D2.5.3.b	Develop and implement a knowledge transfer processes for CBI IT staff to manage the Reporting framework (perform admin functions, ad/edit/delete user/group roles, perform certain support functions, etc.)	
	D2.5.3.c	Develop and implement a knowledge transfer processes for CBI IT Banking staff to use the system, interpret the reporting contents and make valid conclusions.	
Unit of Measure:	Milestone		
Disaggregated by:	none		
Type: Output/Outcome:	Output		
Direction of Change:	higher = better, maximum number is 3		
Rationale:	This milestone indicator is useful to management in measuring progress toward achieving the expected result (IR 2.5) in clearly defined steps, including a timeline for completion.		
PLAN FOR DATA ACQUISITION			
Data Source:	Project and stakeholder documentation		
Method of data acquisition:	Component 2 staff will collect evidential documentation as it becomes available and submit it to the M&E Department.		
Data Acquisition Freq & Reporting:	Quarterly/Quarterly		
Estimated Cost of Data Acquisition:	N/A		
Individual responsible for data collection:	David Munro		
Individual responsible for project reporting data:	William R. Schultz		
Location of Data Storage:	Hard Copy: Project Files/USAID; Elect: Project Server/OneSource		
DATA QUALITY ISSUES (if used in USAID Annual Report)			
Date of Initial Data Quality Assessment:	TBD		
Known Data Limitations and Significance (if any):	none at this time		
Actions Taken or Planned to address Data Limitations:	none at this time		
Date of Future Data Quality Assessments:	TBD		
Procedures for Future Data Quality Assessments:	TBD		
OTHER NOTES:			
Notes on baselines/Targets:	No work has commenced as of project start-up therefore the baseline is 0		
Year	Target	Actual	Notes
2010		0	Milestone number reached on Phase 1 of the Data Repository
2011	4		All 4 Phase I milestones completed, Repository in place
2012			
2013			
2014			
2015			

Performance Indicator Reference Sheet (PIRS)

Performance Indicator # 2.5.2			
Program Objective	4 Economic Growth		
Program Area	4.3 Financial Sector		
Program Element	4.3.1 Financial Sector Enabling Environment		
USAID Long Term Objective	Improve the enabling environment for private financial sector expansion through capacity building, legal and regulatory reform		
"F" indicator	NO		
Is this a Custom "Project Specific" Indicator?	YES		
Intermediate Result No:	2.5		
Expected Result Per Contract	CBI staff is trained on the new Centralized Data Repository reporting requirements and can manage the system		
DESCRIPTION			
Indicator Title:	Phase II for the Data Depository System is completed		
Precise Definition(s):	This is a milestone indicator. The 2 Workplan Milestones that will be tracked are specific tasks detailed in the project contract and approved work plan including the timeline for their completion. (milestone reference numbers correspond to those in the Workplan: D2.5.4a & b). The tasks are as follows:		
	D2.5.4.a	Develop and implement a rollout plan to deploy the solution to all reporting entities	
	D2.5.4.b	Create and maintain a Help Desk function for all users until one month after roll out is complete.	
Unit of Measure:	Milestone		
Disaggregated by:	none		
Type: Output/Outcome:	Output		
Direction of Change:	sequential progression to completion: D2.5.1a = step 1, D2.5.1h = Final step, result achieved		
Rationale:	This milestone indicator is useful to management in measuring progress toward achieving the expected result (IR 2.5) in clearly defined steps, including a timeline for completion.		
PLAN FOR DATA ACQUISITION			
Data Source:	Project and stakeholder documentation		
Method of data acquisition:	Component 2 staff will collect evidential documentation as it becomes available and submit it to the M&E Department.		
Data Acquisition Freq & Reporting:	Quarterly Collection / Quarterly Report		
Estimated Cost of Data Acquisition:	N/A		
Individual responsible for data collection:	David Munro		
Individual responsible for project reporting data:	William R. Schultz		
Location of Data Storage:	Hard Copy: Project Files/USAID; Elect: Project Server/OneSource		
DATA QUALITY ISSUES (if used in USAID Annual Report)			
Date of Initial Data Quality Assessment:	TBD		
Known Data Limitations and Significance (if any):	none at this time		
Actions Taken or Planned to address Data Limitations:	none at this time		
Date of Future Data Quality Assessments:	TBD		
Procedures for Future Data Quality Assessments:	TBD		
OTHER NOTES:			
Notes on baselines/Targets:	No training has commenced as of project start-up therefore the baseline is 0		
Year	Target	Actual	Notes
2010		0	Milestone numbers achieved
2011			
2012	8		All 8 Phase II milestones complete, Repository is Operational and CBI staff are trained to use the system
2013			
2014			
2015			

USAID Iraq Financial Development Project

Performance Management Plan (PMP) List of Indicators

Component 3

USAID Long Term LTO1 Create jobs by strengthening the private financial sector’s ability to provide increased financial intermediation services

Objectives (LTO): LTO2 Improve the enabling environment for private financial sector expansion through capacity building, legal and regulatory reform

Program Objective	Program Area	Program Element	Long Term Objective	PMP IR #	Intermediate Result (from contract)	PMP Indicator #	F Indicator	Indicator Title	Unit of Measure	Data Source	Frequency of Collection	Baseline	Associated Deliverable	TARGETS					5 Year Total	Cognizant Project Component
														Yr 1	Yr 2	Yr 3	Yr 4	Yr 5		
4	4.3	4.3.1 & 4.3.2	LTO2	3.1	Two or more business schools/universities offering business and finance degrees based on international standards	3.1.1	F	4.3.1-6: Number of Financial Sector Training and/or Certification Programs Established or supported that meet International Standards	Number of Programs	Project Records	Annual	0	D312; D313; D314	0	0	0	0	2	2	3
						3.1.2	F	4.3.2-1: Number of Financial Sector Professionals trained on international standards this year with USG assistance.	# professionals	Project Records/ University Records	Annual	0	D312	40	30	3	3	3	79	3
						3.1.2a	F	Number of Men	#Men	University Records	Annual	0	D312	35	20	2	2	2	61	3
						3.1.2b	F	Number of Women	#women	University Records	Annual	0	D312	5	10	1	1	1	18	3
						3.1.3		Number of senior faculty fom Partner Colleges trained in curriculum by regional/international Partner universities	Number of senior faculty	Implementing Partners, project records	Quarterly	0	D312	0	30	0	0	0	30	3
						3.1.4		Number of Iraqi Colleges and Financial Institutions surveyed for the GAPS Analysis		Project Records	Quarterly		D311	11	0	0	0	0	11	3
						3.1.4a		Number of Colleges of Economics and Administration included in the Gaps Analysis	Number of Colleges	Project Records	Quarterly	0	D311	8	0	0	0	0	8	3
						3.1.4b		Number of financial institutions included in the Gaps Analysis	Number of banks	Project Records	Quarterly	0	D311	3	0	0	0	0	3	3
						3.1.5		Number of Deans/program administrators trained in accreditation	Number of deans/ administrators	Implementing Partners, project records	Quarterly	0	D312	40	0	0	0	0	40	3
3.1.6		Number of Iraqi Colleges of Economics and Administration accepted for membership for accreditation in AACSB	Number of Colleges	Project Records	Quarterly	0	D314	0	2	2	2	2	8	3						
4	4.3	4.3.2	LTO2	3.2	Sustainable mechanism in place for continuing professional development, networking and advocacy for business and finance education	3.2.1		Educators Association Financial Sustainability	sustainability ratio	Implementing Partners, project records	Quarterly	0	D322	0	0	0	50%	100%	100%	3
						3.2.2		Number of finance and banking faculty members participating in the association of Finance and banking educators	Number of members	Implementing Partners, project records	Quarterly	0	D322	0	0	0	200	0	200	3
						3.2.2a		Number of Men	#Men	Implementing Partners, project records	Quarterly	0	D322	0	0	0	175	0	175	3
						3.2.2b		Number of Women	#Women	Implementing Partners, project records	Quarterly	0	D322	0	0	0	25	0	25	3
						3.2.3		Overall Member Satisfaction of Educators Association effectiveness	Rating	Survey	Quarterly	0	D322	3	3	4	4	4	4	1
						3.2.4		Number of partnership agreements between Iraqi Partner Colleges and Regional/international educational institutions	Number of MOU Signatory Universities	Implementing Partners, project records	Quarterly	0	D321	1	1	0	0	0	2	3

USAID Iraq Financial Development Project

Performance Management Plan (PMP) List of Indicators

Component 3

USAID Long Term Objective (LTO): LTO1 Create jobs by strengthening the private financial sector’s ability to provide increased financial intermediation services

USAID Long Term Objective (LTO): LTO2 Improve the enabling environment for private financial sector expansion through capacity building, legal and regulatory reform

Program Objective	Program Area	Program Element	Long Term Objective	PMP IR #	Intermediate Result (from contract)	PMP Indicator #	F Indicator	Indicator Title	Unit of Measure	Data Source	Frequency of Collection	Baseline	Associated Deliverable	TARGETS					5 Year Total	Cognizant Project Component
														Yr 1	Yr 2	Yr 3	Yr 4	Yr 5		
4	4.3	4.3.2	LTO2	3.3	Sustainable mechanism in place for university collaboration with private business and financial organizations	3.3.1		Sustainable Joint Council (Education/Private Banks) established within the organizational structure of a private bank industry association.	Milestones (see PIRS)	Implementing Partners, training records	Quarterly	0	D331; D332	0	0	0	0	0	0	3
						3.3.2		Number of internships and scholarships to students from the Partner Colleges Co-funded by the private sector (disaggregated by type of sponsorship, gender)	Number of Co-Funded Scholarships /Internships	Implementing Partners, training records	Quarterly	0	D331; D332	0	4	4	6	6	20	3
						3.3.2a		Number of Men	#Men	Implementing Partners, training records	Quarterly	0	D331; D332	0	3	3	4	4	14	3
						3.3.2b		Number of Women	#Women	Implementing Partners, training records	Quarterly	0	D331; D332	0	1	1	2	2	6	3
						3.3.3		Number of Career Development Centers established at Partner Colleges	Number of centers	Implementing Partners, training records	Quarterly	0	D331; D332	0	2	0	2	0	4	3

Performance Indicator Reference Sheet (PIRS)

Performance Indicator # 3.1.1			
Program Objective	4 Economic Growth		
Program Area	4.3 Financial Sector		
Program Element	4.3.1 Financial Sector Enabling Environment		
USAID Long Term Objective	Improve the enabling environment for private financial sector expansion through capacity building, legal and regulatory reform		
"F" indicator	YES		
Is this a Custom "Project Specific" Indicator?	NO		
Intermediate Result No.	3.1		
Expected Result Per Contract	Two or more business schools/universities offering business and finance degrees based on international standards		
DESCRIPTION			
Indicator Title:	4.3.1-6 Number of Financial Sector Training and/or Certification programs established or supported that meet international standards.		
Precise Definition(s):	The number of training and certification programs that meet or embrace internationally recognized standards for upgrading and or expanding professional capacities for financial sector professionals		
Unit of Measure:	Number of Programs		
Disaggregated by:	N/A		
Type: Output/Outcome	Output		
Direction of Change:	Higher = better		
Rationale:	Global interconnected growth is accelerating in all countries of the world. It is vital that entering financial sector professionals possess up to date knowledge of finance and banking from a program and recognized by providers as meeting internationally recognized standards. Entering finance professionals equipped with up to date knowledge of finance theory and practice increase confidence among investing and trading institutions, facilitate investment and increase the volume of financial transactions, increase access to finance among sub-sectors of the economy, increase confidence among investing and trading counterparts and spur innovation, among many other benefits.		
PLAN FOR DATA ACQUISITION			
Data Source:	Project Records/University Records		
Method of data acquisition:	Project Component progress reports and supporting documents		
Data Acquisition Freq & Reporting:	Annual/Annual		
Estimated Cost of Data Acquisition:	N/A		
Individual responsible for data collection:	Herb Davis		
Individual responsible for project reporting data:	William R. Schultz		
Location of Data Storage:	hard copy-Project File # TBD & USAID, Electronic: Project Server/OneSource, USAID		
DATA QUALITY ISSUES (if used in USAID Annual Report)			
Date of Initial Data Quality Assessment:	TBD		
Known Data Limitations and Significance (if any):	none at this time		
Actions Taken or Planned to address Data Limitations:	none at this time		
Date of Future Data Quality Assessments:	TBD		
Procedures for Future Data Quality Assessments:	TBD		
OTHER NOTES:			
Notes on baselines/Targets:	At project startup, no programs have been initiated therefore baseline is 0		
Year	Target	Actual	Notes
2010	0	0	Baseline is 0
2011	0		
2012	0		
2013	0		
2014	0		
2015	2		

Performance Indicator Reference Sheet (PIRS)

Performance Indicator # 3.1.2 a&b			
Program Objective	4 Economic Growth		
Program Area	4.3 Financial Sector		
Program Element	4.3.2 Financial Sector Capacity		
USAID Long Term Objective	Improve the enabling environment for private financial sector expansion through capacity building, legal and regulatory reform		
"F" indicator	YES		
Is this a Custom "Project Specific" Indicator?	NO		
Intermediate Result No.	3.1		
Expected Result Per Contract	Two or more business schools/universities offering business and finance degrees based on international standards		
DESCRIPTION			
Indicator Title:	4.3.2-1 Number of Financial Sector Professionals trained on International Standards this year with USG assistance		
Precise Definition(s):	The number of financial sector professionals – accountants, actuaries, insurance and pension specialists, bankers and other individuals that manage financial institutions, manage risk or provide operating services to the financial market that have been trained as a result of USG training activities (excluding supervisory staff, which is measured separately.) This includes the number of Deans / administrators and senior faculty of selected Partner Colleges of Economics and Administration that successfully complete coursework to become TOT's in banking and finance.		
Unit of Measure:	number of senior faculty and administrators		
Disaggregated by:	gender (3.1.2a men/3.1.2b women)		
Type: Output/Outcome	Output		
Direction of Change:	higher = better		
Rationale:	A typical bank lending officer in a developed market will have an MBA or accounting degree, followed by up to five years of mentoring by experienced senior lenders before she/he is qualified to assume any significant lending authority. The Iraqi education system does not provide a comparable base, and senior lenders often do not themselves have the technical skills to teach. Other financial sector specialists require a similar extensive learning curve before they can be reliable practitioners. Degree programs that meet international standards can compensate for these gaps in skills development opportunities can substantially accelerate the rate at which a country can form the professionals needed to grow the financial sector.		
PLAN FOR DATA ACQUISITION			
Data Source:	Project data; Participating university record		
Method of data acquisition:	record concurrent with activities		
Data Acquisition Freq & Reporting:	Annual/Annual		
Estimated Cost of Data Acquisition:	n/a		
Individual responsible for data collection:	Herb Davis		
Individual responsible for project reporting data:	William R. Schultz		
Location of Data Storage:	hard copy-Project File # TBD & USAID, Electronic: Project Server/OneSource, USAID		
DATA QUALITY ISSUES (if used in USAID Annual Report)			
Date of Initial Data Quality Assessment:	TBD		
Known Data Limitations and Significance (if any):	none at this time		
Actions Taken or Planned to address Data Limitations:	none at this time		
Date of Future Data Quality Assessments:	TBD		
Procedures for Future Data Quality Assessments:	TBD		
OTHER NOTES:			
Notes on baselines/Targets: No Training programs have been established as of project start-up therefore baseline is 0			
Year	Target	Actual	Notes
2010		0	baseline
2011	40 - 35 men / 5 Women	34 - 31 men / 3 women	Actual attendance at AACSB Seminar held 3rd week of June 2011 for Higher Education Administrators and Finance/Business Educators.
2012	30 - 20 men / 10 Women		
2013	3 - 2 men / 1 Woman		
2014	3 - 2 men / 1 Woman		
2015	3 - 2 men / 1 Woman		

Performance Indicator Reference Sheet (PIRS)

Performance Indicator # 3.1.3			
Program Objective	4 Economic Growth		
Program Area	4.3 Financial Sector		
Program Element	4.3.2 Financial Sector Capacity		
USAID Long Term Objective	Improve the enabling environment for private financial sector expansion through capacity building, legal and regulatory reform		
"F" indicator	NO		
Is this a Custom "Project Specific" Indicator?	YES		
Intermediate Result No.	3.1		
Expected Result Per Contract	Two or more business schools/universities offering business and finance degrees based on international standards		
DESCRIPTION			
Indicator Title:	Number of senior faculty from Partner Colleges trained in curriculum by regional/international Partner universities		
Precise Definition(s):	The number of Deans / administrators and senior faculty of selected/Partner Colleges of Economics and Administration that will have participated in the Curriculum Development workshops		
Unit of Measure:	number of senior faculty and administrators		
Disaggregated by:	none		
Type: Output/Outcome	Output		
Direction of Change:	higher = better		
Rationale:	Decades of isolation has prevented Iraqi educators from keeping themselves updated on latest pedagogy and research in business and finance. An intensive workshop conducted by senior professors of international renown can give the Iraqi educators a shot in the arm sorely needed		
PLAN FOR DATA ACQUISITION			
Data Source:	Project data; Participating university record		
Method of data acquisition:	record concurrent with activities		
Data Acquisition Freq & Reporting:	Annual Aggregate / Annual/concurrent Reporting		
Estimated Cost of Data Acquisition:	n/a		
Individual responsible for data collection:	Herb Davis		
Individual responsible for project reporting data:	William R. Schultz		
Location of Data Storage:	hard copy-Project File # TBD & USAID, Electronic: Project Server/OneSource, USAID		
DATA QUALITY ISSUES (if used in USAID Annual Report)			
Date of Initial Data Quality Assessment:	TBD		
Known Data Limitations and Significance (if any):	none at this time		
Actions Taken or Planned to address Data Limitations:	none at this time		
Date of Future Data Quality Assessments:	TBD		
Procedures for Future Data Quality Assessments:	TBD		
OTHER NOTES:			
Notes on baselines/Targets: No Training programs have been established as of project start-up therefore baseline is 0			
Year	Target	Actual	Notes
2010		0	Baseline is 0
2011	0		
2012	30		
2013	0		
2014	0		
2015	0		

Performance Indicator Reference Sheet (PIRS)

Performance Indicator # 3.1.4 a&b			
Program Objective	4 Economic Growth		
Program Area	4.3 Financial Sector		
Program Element	4.3.2 Financial Sector Capacity		
USAID Long Term Objective	Improve the enabling environment for private financial sector expansion through capacity building, legal and regulatory reform		
"F" indicator	NO		
Is this a Custom "Project Specific" Indicator?	YES		
Intermediate Result No.	3.1		
Expected Result Per Contract	Two or more business schools/universities offering business and finance degrees based on international standards		
DESCRIPTION			
Indicator Title:	Number of Iraqi Colleges and Financial Institutions surveyed for the GAPS Analysis		
Precise Definition(s):	Number of selected Colleges of Economics and Administration and the Number of selected financial institutions included in the Gaps Analysis conducted jointly by the Program and the Regional Consultant/Partner University		
Unit of Measure:	Number of Universities and Financial Institutions		
Disaggregated by:	Universities (3.1.4a) and Financial Institutions (3.1.4b)		
Type: Output/Outcome	Output		
Direction of Change:	higher = better		
Rationale:	Decades of isolation has prevented Iraqi educators from keeping themselves updated on latest pedagogy and research in business and finance. The GAPS analysis is analogous to a thorough medical checkup before diagnosis of the problems and prescription of remedies. The GAPS analysis will help identify the precise nature of the mismatch between the requirements of the financial sector and the skills of the graduates produced by Iraqi Colleges of Economics and Administration		
PLAN FOR DATA ACQUISITION			
Data Source:	(1) Qualitative survey of faculty, students, and the overall program (2) semi-structured interviews with executives of financial institutions hiring graduates of the Colleges; (3) existing data and reports on the state of education in Iraqi Colleges of Economics and Administration; (4) face to face interviews with stakeholders		
Method of data acquisition:	record concurrent with activities		
Data Acquisition Freq & Reporting:	Quarterly/Quarterly		
Estimated Cost of Data Acquisition:	N/A		
Individual responsible for data collection:	Herb Davis		
Individual responsible for project reporting data:	William R. Schultz		
Location of Data Storage:	hard copy-Project File # TBD & USAID, Electronic: Project Server/OneSource, USAID		
DATA QUALITY ISSUES (if used in USAID Annual Report)			
Date of Initial Data Quality Assessment:	TBD		
Known Data Limitations and Significance (if any):	none at this time		
Actions Taken or Planned to address Data Limitations:	none at this time		
Date of Future Data Quality Assessments:	June 30, for LOP		
Procedures for Future Data Quality Assessments:	TBD		
OTHER NOTES:			
Notes on baselines/Targets: No surveys have been completed as of project start-up therefore baseline is 0			
Year	Target	Actual	Notes
2010		0	baseline
2011	11 - 8 Universities / 3 Fin. Inst.	31 - 8 universities / 21 banks	Survey Data is found with the GAPS analysis completed by component 3.
2012	0		
2013	0		
2014	0		
2015	0		

Performance Indicator Reference Sheet (PIRS)

Performance Indicator # 3.1.5, a & b			
Program Objective	4 Economic Growth		
Program Area	4.3 Financial Sector		
Program Element	4.3.2 Financial Sector Capacity		
USAID Long Term Objective	Improve the enabling environment for private financial sector expansion through capacity building, legal and regulatory reform		
"F" indicator	N0		
Is this a Custom "Project Specific" Indicator?	YES		
Intermediate Result No.	3.1		
Expected Result Per Contract	Two or more business schools/universities offering business and finance degrees based on international standards		
DESCRIPTION			
Indicator Title:	Number of Deans/program administrators trained in accreditation		
Precise Definition(s):	The number of Deans / administrators and senior faculty of selected/"Partner Colleges of Economics and Administration" participating in the Accreditation workshop to be held in May 2011		
Unit of Measure:	number of senior faculty and administrators		
Disaggregated by:	gender (3.1.5a men/3.1.5b women)		
Type: Output/Outcome	Output		
Direction of Change:	higher = better		
Rationale:	Accreditation by an internationally recognized body ensures an independent confirmation of quality of the program. Hence, encouraging Iraqi Colleges of Economics and Administration to seek accreditation with ACCSB (the premier accreditation body in the world) and facilitating the process is an important part of the Program. However, accreditation by AACSB is a highly elaborate and long process requiring understanding of complex procedures and financial viability. Hence, the need for a full-fledged training workshop. The Component Lead was fortunate in making AACSB visit the region and offer a training workshop on accreditation in collaboration with a recently AACSB-accredited Partner University.		
PLAN FOR DATA ACQUISITION			
Data Source:	Project data; Participating university record		
Method of data acquisition:	record concurrent with activities		
Data Acquisition Freq & Reporting:	Quarterly/Quarterly		
Estimated Cost of Data Acquisition:	N/A		
Individual responsible for data collection:	Herb Davis		
Individual responsible for project reporting data:	William R. Schultz		
Location of Data Storage:	hard copy-Project File # TBD & USAID, Electronic: Project Server/OneSource, USAID		
DATA QUALITY ISSUES (if used in USAID Annual Report)			
Date of Initial Data Quality Assessment:	TBD		
Known Data Limitations and Significance (if any):	none at this time		
Actions Taken or Planned to address Data Limitations:	none at this time		
Date of Future Data Quality Assessments:	June 30, for LOP		
Procedures for Future Data Quality Assessments:	TBD		
OTHER NOTES:			
Notes on baselines/Targets: No Training programs have been established as of project start-up therefore baseline is 0			
Year	Target	Actual	Notes
2010		0	baseline
2011	40	34	This number feeds into the F indicator of 3.1.4 a & b.
2012	0		
2013	0		
2014	0		
2015	0		

Performance Indicator Reference Sheet (PIRS)

Performance Indicator # 3.1.6			
Program Objective	4 Economic Growth		
Program Area	4.3 Financial Sector		
Program Element	4.3.2 Financial Sector Capacity		
USAID Long Term Objective	Improve the enabling environment for private financial sector expansion through capacity building, legal and regulatory reform		
"F" indicator	NO		
Is this a Custom "Project Specific" Indicator?	YES		
Intermediate Result No.	3.1		
Expected Result Per Contract	Two or more business schools/universities offering business and finance degrees based on international standards		
DESCRIPTION			
Indicator Title:	Number of Iraqi Colleges of Economics and Administration accepted for membership for accreditation in AACSB		
Precise Definition(s):	The number of Iraqi Colleges of Economics and Administration that applied and were accepted for membership by AACSB for future accreditation		
Unit of Measure:	Number of Colleges		
Disaggregated by:	N/A		
Type: Output/Outcome	Output		
Direction of Change:	higher = better		
Rationale:	The primary objective of the Third Component of the Program is to bring the quality of business and finance education up to international standards. Membership in the premier accreditation league not only creates awareness of specific benchmarks to be achieved by the member Colleges but also provides access to expert advice and periodic monitoring of the progress towards achieving that goal.		
PLAN FOR DATA ACQUISITION			
Data Source:	Project component records; Participating university(ies)		
Method of data acquisition:	record concurrent with activities		
Data Acquisition Freq & Reporting:	Quarterly/Quarterly		
Estimated Cost of Data Acquisition:	n/a		
Individual responsible for data collection:	Herb Davis		
Individual responsible for project reporting data:	William R. Schultz		
Location of Data Storage:	hard copy-Project File # TBD & USAID, Electronic: Project Server/OneSource, USAID		
DATA QUALITY ISSUES (if used in USAID Annual Report)			
Date of Initial Data Quality Assessment:	TBD		
Known Data Limitations and Significance (if any):	none at this time		
Actions Taken or Planned to address Data Limitations:	none at this time		
Date of Future Data Quality Assessments:	June 30, for LOP		
Procedures for Future Data Quality Assessments:	TBD		
OTHER NOTES:			
Notes on baselines/Targets: No Colleges have been accepted for AACSB accreditation as of project start, baseline = 0			
Year	Target	Actual	Notes
2010	0	0	baseline
2011	0		
2012	2		
2013	2		
2014	2		
2015	2		

Performance Indicator Reference Sheet (PIRS)

Performance Indicator # 3.2.1			
Program Objective	4 Economic Growth		
Program Area	4.3 Financial Sector		
Program Element	4.3.1 Financial Sector Enabling Environment		
Long Term Objective	Improve the enabling environment for private financial sector expansion through capacity		
"F" indicator	NO		
Is this a Custom "Project Specific" Indicator?	YES		
Expected Result #	1.1		
Expected Result Per Contract	One or more industry associations that represents effectively the interests of the private financial		
DESCRIPTION			
Indicator Title:	Educators' Association Financial Sustainability		
Precise Definition(s):	Financial sustainability is the degree to which an organization collects sufficient revenues from sale of its services to cover the full costs of its activities, evaluated on an opportunity-cost basis. Expressed as a percentage, financial sustainability is calculated using the formula: (operational cost + financial costs) / gross revenue. Full financial sustainability is the situation in which the revenues an organization generates from its clients cover the full (opportunity) costs of its activities, thus allowing it to continue operating at a stable or growing scale without ongoing support from governments, donor agencies, or charitable organizations.		
Unit of Measure:	Financial Sustainability Ratio		
Disaggregated by:	none		
type: output/outcome	Output		
Direction of Change:	100% or above indicates Financial Sustainability		
Rationale:	Financial sustainability indicates that the association will continue after donor Technical and financial assistance ends.		
PLAN FOR DATA ACQUISITION			
Data Source:	Association Accounting records		
Method of data acquisition:	Program staff to review accounts and accounting policy		
Data Acquisition Freq & Reporting:	Annual Collection / Annual Report		
Estimated Cost of Data Acquisition:	N/A		
Individual responsible for data collection:	Herb Davis		
Individual responsible for project reporting data:	William R. Schultz		
Location of Data Storage:	Hard Copy: Project Files/USAID; Elect: Project Server/OneSource		
DATA QUALITY ISSUES (if used in USAID Annual Report)			
Date of Initial Data Quality Assessment:	TBD		
Known Data Limitations and Significance (if any):	none at this time		
Actions Taken or Planned to address Data Limitations:	none at this time		
Date of Future Data Quality Assessments:	TBD		
Procedures for Future Data Quality Assessments:	TBD		
OTHER NOTES:			
Notes on baselines/Targets: The Educators association does not exist at start-up, therefore baseline is 0			
Year	Target	Actual	Notes
2010		0%	There are no associations receiving TA at project startup
2011	0%		
2012	0%		
2013	0%		
2014	50%		
2015	100%		

Performance Indicator Reference Sheet (PIRS)

Performance Indicator # 3.2.2 a-b			
Program Objective	4 Economic Growth		
Program Area	4.3 Financial Sector		
Program Element	4.3.1 Financial Sector Enabling Environment		
Long Term Objective	Improve the enabling environment for private financial sector expansion through capacity building, legal and regulatory reform		
"F" indicator	NO		
Is this a Custom "Project Specific" Indicator?	YES		
Expected Result #	1.1		
Expected Result Per Contract	One or more industry associations that represents effectively the interests of the private financial sector and is self-sustainable, as measured by financial sustainability and member		
DESCRIPTION			
Indicator Title:	Number of finance and banking faculty members participating in the association of Finance and banking educators		
Precise Definition(s):	Total membership of the association includes all legal entities and individual persons who have paid membership dues or other fees, disaggregated by Gender (1.1.3 a & b).		
Unit of Measure:	Total # of members, #men, #women		
Disaggregated by:	Gender		
type: output/outcome:	Output		
Direction of Change:	Higher = Better		
Rationale:	The number of paid members (corporate, branches, affiliates) of the association are the primary indicator of member involvement.		
PLAN FOR DATA ACQUISITION			
Data Source:	Association membership records		
Method of data acquisition:	Direct Project review of membership records		
Data Acquisition Freq & Reporting:	Quarterly/Quarterly		
Estimated Cost of Data Acquisition:	N/A		
Individual responsible for data collection:	Herb Davis		
Individual responsible for project reporting data:	William R. Schultz		
Location of Data Storage:	Hard Copy: Project Files/USAID; Elect: Project Server/OneSource		
DATA QUALITY ISSUES (if used in USAID Annual Report)			
Date of Initial Data Quality Assessment:	TBD		
Known Data Limitations and Significance (if any):	none at this time		
Actions Taken or Planned to address Data Limitations:	none at this time		
Date of Future Data Quality Assessments:	TBD		
Procedures for Future Data Quality Assessments:	TBD		
OTHER NOTES:			
Notes on baselines/Targets:	No association exists at start up, therefore the baseline is 0. Targets are based on best estimates and will be adusted/modified to reflect realistic expectations.		
Year	Target	Actual	Notes
2010		0	
2011	0		
2012	0		
2013	0		
2014	200: 175 men/25 women		
2015	0		

Performance Indicator Reference Sheet (PIRS)

Performance Indicator # 3.2.3			
Program Objective	4 Economic Growth		
Program Area	4.3 Financial Sector		
Program Element	4.3.1 Financial Sector Enabling Environment		
Long Term Objective	Improve the enabling environment for private financial sector expansion through capacity		
"F" indicator	NO		
Is this a Custom "Project Specific" Indicator?	YES		
Expected Result #	1.1		
Expected Result Per Contract	One or more industry associations that represents effectively the interests of the private financial		
DESCRIPTION			
Indicator Title:	Overall Member Satisfaction of Educators Association effectiveness		
Precise Definition(s):	Member satisfaction is the extent the members are satisfied with the association's work in terms of services and results as measured by a rating scale of 0-5, 5 = 100% satisfied.		
Unit of Measure:	Avg Rating		
Disaggregated by:	none		
type: output/outcome:	Output		
Direction of Change:	Higher = Better		
Rationale:	Member satisfaction as measured by opinion surveys indicate to the extent that the association is achieving its purpose as well as meeting the needs of its membership.		
PLAN FOR DATA ACQUISITION			
Data Source:	satisfaction surveys		
Method of data acquisition:	satisfaction survey		
Data Acquisition Freq & Reporting:	Surveys will taken and results reported Annually		
Estimated Cost of Data Acquisition:	N/A		
Individual responsible for data collection:	Herb Davis		
Individual responsible for project reporting data:	William R. Schultz		
Location of Data Storage:	Hard Copy: Project Files/USAID; Elect: Project Server/OneSource		
DATA QUALITY ISSUES (if used in USAID Annual Report)			
Date of Initial Data Quality Assessment:	TBD		
Known Data Limitations and Significance (if any):	none at this time		
Actions Taken or Planned to address Data Limitations:	none at this time		
Date of Future Data Quality Assessments:	TBD		
Procedures for Future Data Quality Assessments:	TBD		
OTHER NOTES:			
Notes on baselines/Targets:	No association exists at start up, therefore the baseline is 0. Targets are based on best estimates and will be adusted/modified to reflect realistic expectations. However, it is unrealistic to expect an average satisfaction of 100% because discontent is present in all organizations, anywhere in the world.		
Year	Target	Actual	Notes
2010		0	No Association exists at start-up, hence baseline = 0
2011	2		
2012	3		
2013	4		
2014	4		
2015	4		

Performance Indicator Reference Sheet (PIRS)

Performance Indicator # 3.2.4			
Program Objective	4 Economic Growth		
Program Area	4.3 Financial Sector		
Program Element			
USAID Long Term Objective	Improve the enabling environment for private financial sector expansion through capacity building, legal and regulatory reform		
"F" indicator	NO		
Is this a Custom "Project Specific" Indicator?	YES		
Intermediate Result No.	3.3		
Expected Result Per Contract	Sustainable mechanism in place for continuing professional development, networking and advocacy for business and finance education		
DESCRIPTION			
Indicator Title:	Number of partnerships agreements between Iraqi Partner Colleges and Regional/international educational institutions (disaggregated by Colleges)		
Precise Definition(s):	Two to four selected Iraqi Colleges of Economics and Administration sign long term Program sponsored academic partnership agreements with selected AACSB-accredited Regional/International Partner Universities. This will be measured by the number of MOUs/Agreements and the number of Scholars and Post Doctorate/Research Fellows at Iraqi Universities.		
Unit of Measure:	Number of Signatory Universities to an MOU		
Disaggregated by:	3.2.2. MOUs/Agreements between Iraqi Colleges/Univ and Regional Educational institutions		
type: output/outcome:	Output		
Direction of Change:	Higher = Better		
Rationale:	To bring the quality of finance and banking education in Iraq up to the international standards, AACSB-accredited regional partners can lead the way as they themselves had to go through a rigorous process of review and quality control. This is analogous to mentoring for someone interested in self-improvement.		
PLAN FOR DATA ACQUISITION			
Data Source:	Project and university data		
Method of data acquisition:	record concurrent with activities		
Data Acquisition Freq & Reporting:	Quarterly/Quarterly		
Estimated Cost of Data Acquisition:	n/a		
Individual responsible for data collection:	Herb Davis		
Individual responsible for project reporting data:	William R. Schultz		
Location of Data Storage:	hard copy-Project File # TBD & USAID, Electronic: Project Server/OneSource, USAID		
DATA QUALITY ISSUES (if used in USAID Annual Report)			
Date of Initial Data Quality Assessment:	TBD		
Known Data Limitations and Significance (if any):	none at this time		
Actions Taken or Planned to address Data Limitations:	none at this time		
Date of Future Data Quality Assessments:	June 30, for LOP		
Procedures for Future Data Quality Assessments:	TBD		
OTHER NOTES:			
Notes on baselines/Targets:	No partnerships exist as of project start therefore baseline = 0		
Year	Target	Actual	Notes
2010		0	Baseline is 0
2011	2	2	See data in grant file for partnership activities between regional universities and Iraq Universities/colleges.
2012	1		
2013	0		
2014	0		
2015	0		

Performance Indicator Reference Sheet (PIRS)

Performance Indicator # 3.3.1			
Program Objective	4 Economic Growth		
Program Area	4.3 Financial Sector		
Program Element	4.3.1 Financial Sector Enabling Environment		
USAID Long Term Objective	Improve the enabling environment for private financial sector expansion through capacity building, legal and regulatory reform		
"F" indicator	NO		
Is this a Custom "Project Specific" Indicator?	YES		
Intermediate Result No:	2.2		
Expected Result Per Contract	A sustainable organization/partnership for providing financial sector training and professional development is established		
DESCRIPTION			
Indicator Title:	Sustainable Joint Council (Education/Private Banks) established within the organizational structure of a private bank industry association.		
Precise Description:	This indicator is a series of milestones to measure the process/progress of establishing a sustainable Joint Council of educators and leaders of private banks under the organizational structure of an Banking Industry Association. The four steps/milestones to be monitored are as follows:		
	1: Education/University Partners are Identified		
	2: Three Parter Unversities become MOU signatories to establish a joint council of educators and Private Bank leaders appointed by a Private Bank Industry Association.		
	3: Private Bank Industry Association appoints representatives to the Joint Council		
	4: The Private Bank Industry Association establishes the Joint Council as its strategic educational advisory committee within its organizational structure, thereby insuring the Joint Council's legitamcy and sustainability.		
Unit of Measure:	Milestones		
Disaggregated by:	none		
Type: Output/Outcome:	Output		
Direction of Change:	Higher = Better		
Rationale:	Using milestones for establishing this advisory body is the best logical means to monitor the process that leads to a legitimate and sustainable body aimed at further professional development, a network of practioners and advocacy for finance and banking education in Iraq.		
PLAN FOR DATA ACQUISITION			
Data Source:	Financial Records of the Career Development Centers		
Method of data acquisition:	Component 3 staff will collect evidential documentation as it becomes available and submit it to the M&E Department.		
Data Acquisition Freq & Reporting:	Quarterly Collection / Quarterly Report		
Estimated Cost of Data Acquisition:	N/A		
Individual responsible for data collection:	Dr. Herb Davis		
Individual responsible for project reporting data:	William R. Schultz		
Location of Data Storage:	Hardcopy, Project Files & USAID; Electronic: Project Servers/OneSource		
DATA QUALITY ISSUES (if used in USAID Annual Report)			
Date of Initial Data Quality Assessment:	TBD		
Known Data Limitations and Significance (if any):	none at this time		
Actions Taken or Planned to address Data Limitations:	none at this time		
Date of Future Data Quality Assessments:	TBD		
Procedures for Future Data Quality Assessments:	TBD		
OTHER NOTES:			
Notes on baselines/Targets:	As of project startup no work has been initiated so baseline is 0		
Year	Target	Actual	Notes
2010		0	No work has commenced at start-up, baseline is 0
2011	Milestones 1-4		All milestones will be completed in Yr 1
2012			
2013			
2014			
2015			

Performance Indicator Reference Sheet (PIRS)

Performance Indicator # 3.3.2 a&b			
Program Objective	4 Economic Growth		
Program Area	4.3 Financial Sector		
Program Element	4.3.2 Financial Sector Capacity		
USAID Long Term Objective	Improve the enabling environment for private financial sector expansion through capacity building, legal and regulatory reform		
"F" indicator	NO		
Is this a Custom "Project Specific" Indicator?	YES		
Intermediate Result No.	3.3		
Expected Result Per Contract	Sustainable mechanism in place for university collaboration with private business and financial organizations		
DESCRIPTION			
Indicator Title:	Number of internships and scholarships to students from the Partner Colleges Co-funded by the private sector (disaggregated by type of sponsorship, gender)		
Precise Definition(s):	The financial sector matches Program funding in support of a number of internships and scholarships to students from the Partner Colleges (disaggregated by type of sponsorship, gender)		
Unit of Measure:	Number of partnership/cooperation agreements		
Disaggregated by:	Gender (3.3.1a men/3.3.1b women)		
type: output/outcome:	Output		
Direction of Change:	higher = better		
Rationale:	If the private financial sector desires the finance and banking education to be responsive to its changing needs, specialization specific scholarships and internships offer appropriate incentives to channel resources in the desired direction.		
PLAN FOR DATA ACQUISITION			
Data Source:	Project data; Participating university records		
Method of data acquisition:	record concurrent with activities		
Data Acquisition Freq & Reporting:	Quarterly/Quarterly		
Estimated Cost of Data Acquisition:	n/a		
Individual responsible for data collection:	Herb Davis		
Individual responsible for project reporting data:	William R. Schultz		
Location of Data Storage:	hard copy-Project File # TBD & USAID, Electronic: Project Server/OneSource, USAID		
DATA QUALITY ISSUES (if used in USAID Annual Report)			
Date of Initial Data Quality Assessment:	TBD		
Known Data Limitations and Significance (if any):	none at this time		
Actions Taken or Planned to address Data Limitations:	none at this time		
Date of Future Data Quality Assessments:	TBD		
Procedures for Future Data Quality Assessments:	TBD		
OTHER NOTES:			
Notes on baselines/Targets: No Activities have started as of project startup, Baseline is 0			
Year	Target	Actual	Notes
2010		0	At project Startup, no agreements are in process
2011		0	
2012	4 - 3 men / 1 woman		
2013	4 - 3 men / 1 woman		
2014	6 - 4 men / 2 women		
2015	6 - 4 men / 2 women		

Performance Indicator Reference Sheet (PIRS)

Performance Indicator # 3.3.3			
Program Objective	4 Economic Growth		
Program Area	4.3 Financial Sector		
Program Element	4.3.2 Financial Sector Capacity		
USAID Long Term Objective	Improve the enabling environment for private financial sector expansion through capacity building, legal and regulatory reform		
"F" indicator	NO		
Is this a Custom "Project Specific" Indicator?	YES		
Intermediate Result No.	3.3		
Expected Result Per Contract	Sustainable mechanism in place for university collaboration with private business and financial organizations		
DESCRIPTION			
Indicator Title:	Number of Career Development Centers established at Partner Colleges		
Precise Definition(s):	Number of Career Development Centers established at Partner Colleges and will offer career counselling to entering students and prospective graduates		
Unit of Measure:	Number of centers		
Disaggregated by:	College		
Type: output/outcome:	Output		
Direction of change:	Higher = Better		
Rationale:	Career Development Centers are designed to offer career counselling to both incoming and outgoing students; these perform an important service in educating students about the changing conditions in the labor market and to tailor their subject choices to the requirements of the fast changing financial sector. The Strategic Advisory Councils consisting of senior executives of the financial institutions would play an important role in resourcing the centers.		
PLAN FOR DATA ACQUISITION			
Data Source:	Project and university records		
Method of data acquisition:	concurrent with the activity		
Data Acquisition Freq & Reporting:	Quarterly/Quarterly		
Estimated Cost of Data Acquisition:	N/A		
Individual responsible for data collection:	Herb Davis		
Individual responsible for project reporting data:	William R. Schultz		
Location of Data Storage:	hard copy-Project File # TBD & USAID, Electronic: Project Server/OneSource, USAID		
DATA QUALITY ISSUES (if used in USAID Annual Report)			
Date of Initial Data Quality Assessment:	TBD		
Known Data Limitations and Significance (if any):	none at this time		
Actions Taken or Planned to address Data Limitations:	none at this time		
Date of Future Data Quality Assessments:	June 30, for LOP		
Procedures for Future Data Quality Assessments:	TBD		
OTHER NOTES:			
Notes on baselines/Targets: at startup, no career centers have been established by program activities			
Year	Target	Actual	Notes
2010		0	Baseline
2011	0		
2012	2		
2013	0		
2014	2		
2015	0		

