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# IMPLEMENTATION PLAN

## IRAQI BANK TRAINING INSTITUTE

## IRAQ FINANCIAL DEVELOPMENT PROJECT

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# IRAQI BANK TRAINING INSTITUTE: IMPLEMENTATION PLAN

**IRAQ FINANCIAL DEVELOPMENT PROJECT**

**Submitted to:**

USAID/Iraq

**Prepared by:**

AECOM International Development

**DISCLAIMER:**

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## Contents

Executive Summary .....	1
1.0 Project Definition .....	3
1.1 What does the establishment of an Iraqi Bank Training Institute aim to achieve? .....	3
1.2 Why is it important to establish an Iraqi Bank Training Institute?.....	3
1.3 How will the establishment of an Iraqi Bank Training Institute be realized?.....	5
2.0 Activities and responsibilities of key groups .....	11
2.1.1 The Foundational Steering Committee and Subcommittees .....	12
2.1.2 The Management Board.....	15
2.1.3 Center for Banking Studies Personnel.....	17
3.0 Detailed Implementation Plan.....	22
3.1.1 Activities proposed for Implementation .....	23
4.0 Financial Analysis and Budget .....	53
4.1.1 Financial Analysis Background.....	53
4.3 Startup Budget Planning Considerations.....	61
<b>Conclusion .....</b>	<b>63</b>

### Annexes:

- A Committee and Subcommittee Meetings Calendar
- B Illustrative Grant Proposals
- C Law #36, 1999 “The Center for Banking Studies Law”

## LIST OF ACONYMS

ASTD	American Society for Training and Development
ACCET	Accrediting Council for Countinuing Education and Training
BTIG	Bankers Training Institute Grant
BTI-SC	Bankers Training Institute – Steering Committee
BTI-SC/A	Bankers Training Institute – Subcommittee – Accreditation
BTI-SC/E	Bankers Training Institute – Subcommittee – Education
BTI-SC/O	Bankers Training Institute – Subcommittee – Operations
CBI	Central Bank of Iraq
CBI-BTI WGC	CBI- Bankers Training Institute – Working Group Coordinator
CBS	Center for Banking Studies
CBS – MB	Center for Banking Studies – Management Board
EE	External Event
EQUIS	European Quality Improvement Systems
IBBM	Institute Bank - Bank Malaysia
IFC	International Finance Corporation
M	Monday
MB / A	Management Board Subcommittee – Audit
MB / E	Management Board Subcommitte – Education
MB /O	Management Board Subcommittee – Operations
MOU	Memoradum of Understanding
OA	Offical Act
OTA	Office of Technical Assistance – US Treasury
ST	Study Tour
SME	Small and Medium-sized Enterprises
T	Tuesday
UK	United Kindgom
USA	United States of America
W	Wednesday

## EXECUTIVE SUMMARY

The Central Bank of Iraq (CBI) is transforming the Iraqi banking environment to meet the challenges of a global economy. Essential to this, is the advancement of the knowledge, skills and abilities of the people working in the system. Virtually all mature banking systems have bankers' institutes which fulfill a number of functions facilitating the smooth working and development of the banking system and its personnel.

CBI Governor Sinan Al Shabibi has set a goal of establishing an Iraqi Bank Training Institute to provide training for the Central Bank and commercial banking staff. The rapid evolution of the Iraqi economy necessitates the launch of this Institute by June 2012. And so that the Institute may serve the entirety of Iraq, branches in Basrah and Erbil must be opened as soon as practical thereafter.

Before the Institute is fully up and running, however, efforts will be made to offer specialized workshops on particular issues of immediate concern. These include Retail Payments System Infrastructure, and Credit Information Bureau development. Lectures and roundtables delivered by experts in these and other fields will be held in advance of the Institute formally opening its doors. It is anticipated that the BTI, along with the Federation of Iraqi Private Banks, will establish linkages with regional and foreign banking associations and institutes, send delegates to conferences, and in the future host conferences in Iraq.

The implementation plan which follows provides a methodical approach to establishing an Iraqi Bank Training Institute. It is a working document, a tool to be put to use to control and coordinate activities, insuring a framework exists for delivering on the expectations that the Governor Sinan Al Shabibi, the Iraqi economy, and its partners have for establishment of an Iraqi Bank Training Institute.

To start the process, a foundational review of establishment procedures has been made, taking into account known factors and facets which will influence achievement of the mission. Answers to three basic questions in the context of the current environment are discussed. The questions are: 1) What will the establishment of the Institute Achieve? ; 2) Why this is important to establish the Institute? ; 3) How will the establishment be realized? A risk mitigation strategy is provided for each of the major variables: Stakeholders, Deployment and Resource Management. Each of these ideas are presented to ensure that risk is controlled and the activities remain on course.

Next, the activities and responsibilities of the key contributors at each stage of the process towards establishment of the Institute are presented. The key groups are: the Stakeholders; the Committees and Subcommittee; the Management Board; and the BTI personnel. The roles, goals, and responsibilities for each are considered in detail. Suggestions for Terms of Reference and abbreviated job descriptions are presented along with organizational charts.

The Implementation Plan then presents details behind each key activity proposed showing tasks, deliverables, and allocated resources over the life-cycle of foundational implementation. The cycle is composed of four stages, each stage building upon the results of the prior. The four stages are: Foundational, Institutional Development, Institutional Launch and Institutionalization.

A proposed timeline is for the BTI to be established by June 2012. At this point the Institute will be an operational entity with a preliminary curricula, instructors, and course offerings.

Setting up an Iraqi Bank Training Institute requires, in addition to contemplation of the operational actions needed, attention devoted to associated financial considerations. Addressing the basics of a business plan model, a section is presented which evaluates and gauges the business risks which may occur. The evaluation included works through various scenarios of the financial impact that a supportive legal foundation and robust usage would offer, and the situations that might prevail should these not be present. In each circumstance examined there is a decidedly prominent indication that the Bank Training Institute would be a financial viable operation.

Moving forward from the results of the business risk analysis, the financial analysis section concludes with an overview of key budgetary considerations. Specific line item financial projections are embedded into detailed tasks assigned to the stakeholders and personnel who will be part of the Institute-establishment process. Overview guidance is provided for directing critical thought towards key strategic considerations such as an initial startup budget, intellectual property and infrastructure items. In addition to this an illustrative grants proposal list is included to facilitate working with potential supporters.

The goal is to establish one of the key elements which will transform the Iraqi banking environment to meet the challenges of the global economy, an Iraqi Bank Training Institute. The actions, activities and results that emanate from this Implementation Plan provide a firm foundation for the BTT's development.

## 1.0 PROJECT DEFINITION

### 1.1 What does the establishment of an Iraqi Bank Training Institute aim to achieve?

The project is designed to establish an international accredited bank training institute supporting the knowledge needs of the Iraqi banking sector as it reenters the global financial community. The needs of all within this sector will be served.

The institute will strengthen the capacity and the capabilities of personnel in both the Central Bank of Iraq and commercial banks by engaging in a number of activities. These activities include:

- Engaging in structured learning across Iraq using classroom learning, e-learning, and distance learning facilitated by qualified, certified tutors
- Conducting research on all aspects of the financial sector which effect Iraq both by way of the Institute and through support of Iraqi academics
- Providing knowledge transfer from international experts to the Iraqi financial sector by way of seminars, studies and the establishment of partnership relations
- Making available to the Iraq financial services sector a range of internationally recognized certifications programs.

### 1.2 Why is it important to establish an Iraqi Bank Training Institute?

A need for a consistent, structured and sustainable approach to the professional development of human resources for the Iraqi financial services sector exists. This was clearly stated at the May 9, 2011 conference hosted jointly by the Central Bank of Iraq and the USAID Iraq Financial Development Project “Towards a Unified Banking System”, when the key note speaker Dr. Sinan Al Shabibi, Governor of the Central Bank addressed a wide range of participant from the Iraqi and international business community. As part of his speech, Dr. Al Shabibi stated that: “Because the Central Bank of Iraq believes in the importance of developing the capabilities of Iraqis who work in the Banking and Finance sector, we took the initiative to establish a banking training institute inside the Central Bank of Iraq.” The Governor emphasized that the CBI has “the responsibility to develop this institute to meet international training standards that exist in other modern training institutes in the Arab countries and the world.”

Dr. Al Shabibi added that it is “For this reason, all the required procedures should be taken to establish the institute so that it can fulfill its vital role in both the development of all banking’ skills and initiating reforms for the whole banking sector to have sustainable development and a better economy in Iraq.”

Recognizing the importance of the impact that the Bank Training Institute will have upon the growth of the Iraqi economy, a goal for establishment by June 2012 has been set.

As reported in the Iraq Financial Development Project Baseline Study published in 2011 “The Iraqi banking system until 2003 was part of a state-run and managed command economy, with many features resembling

directly the banking system in the former Soviet Union. As such, commercial banks were disbursement arms for the government, channeling funds to state-owned enterprises as directed. No credit analysis was undertaken, nor was there much concern with potential repayment of monies advanced. The banks were simply conduits for government funds and, in addition, served as paymasters for government employees.” This approach to banking continues to impact the contribution which the sector has to the advancement of a well-balanced, inclusive economy.

With the world’s third largest known hydrocarbon reserves, the Iraqi government has set a pathway towards development of a robust private sector that will drive long-term economic growth and increased employment. A shortage of personnel with up-to-date financial knowledge and skills capable of responding to this challenge is one of Iraq’s financial sector’s greatest impediments.

Since 2004, the Iraqi financial sector has been expanding both physically and functionally. There has been a rapid improvement in banking technology with deployment of core banking systems, the development of the Iraqi Payment System, the introduction of debit cards and installation of ATMs. This is in addition to an ever expanding network of branches. However, no real changes have taken place in commercial banks’ product offering. Liability offerings do not extend beyond current accounts, savings accounts and time deposits. And only sporadic, unfocused efforts to build the skills of personnel have occurred.

Leadership in the Iraqi financial services sector has recognized a need for education to improve its capacity to respond to market developments and plan for the future.<sup>1</sup> As reported in the Foundational White Paper for the Establishment of an Iraqi Bank Training Institute<sup>2</sup>, most of the Iraqi banks are engaging in training for their staff. These efforts range from nascent executive development plans to a range of training activities.

The financial services sector however continues to struggle with a shortage of skilled personnel, recruitment at many of the banks means hiring competitors employees. There are few new entrants with the level of skills required available for hire. University graduates lack the practical experience. Locally provided professional continuing education training suffers from lack of adherence to internationally recognized training standards and an absence of an integrated approach for employee development. Local training providers have limited or no specific curriculum. They lack access to the latest training materials and technical information. Furthermore, the training providers tend to be in Baghdad, with some activities in Erbil.

Banks which can afford the expense send employees for training abroad. These tend to be banks with strong international partners. The other banks are placed at a competitive disadvantage, impacting their potential to maintain market share. Many banks place substantial reliance on donor provided training activities. While this has made valuable contributions in many areas, training sessions tend to be brief. They do not engage in significant follow-up to validate retention and application of knowledge. Instructors usually are transient expats which do not contribute to a longer term growth in a pool of educators.

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<sup>1</sup> At a two-day workshop hosted by Component I of the Iraq Financial Development Project on 4-5 April lack of specialized manpower for banking positions was identified as one of the most greater impediments to growth of the private financial services sector.

<sup>2</sup> The Foundational White Paper for the Establishment of an Iraqi Bankers Training Institute was published by the Iraq Financial Development Project.

The Central Bank of Iraq faces similar challenges as it is propelled into the 21st Century world of its roles and responsibility as the guardian of Iraq’s financial and monetary system, banking supervision, cashless payments and cash operations.

Additionally, there are a number of higher education institutions engaged in providing degrees in commercial banking at both undergraduate and graduate degree. Activities specifically focused at central bank duties do not exist.

The Component 3 activities of the Iraq Financial Development Project are titled “Financial and Business Education.” The focus of this component is improving the quality and availability of finance and business education in Iraq. The results of an assessment study completed by this Component “found that there is a severe misalignment between what Iraq’s finance and banking educator’s believe they deliver by way of hard skills and the needs of the Iraqi banks that employ their graduates.” Furthermore, this survey found that bank managers find graduates are “especially deficient” in soft skills. These are “entirely lacking in Iraqi’s finance and banking curricula.”

### **1.3 How will the establishment of an Iraqi Bank Training Institute be realized?**

#### **1.3.1 Legal background**

Enabling legislation for the establishment of the Institute exists. It is titled “Law for the Center for Banking Studies”, law Nr.36 of the year 1999. This law has structured the Institute as a semi-public enterprise, existing as a separate legal entity under the supervision of the CBI.

The law contains key provisions on funding, management and financial control for the center. The intent of the law is best summarized by the reasons stated for its enactment, this is “For the sake of accommodating the scientific development in the banking business and to upgrade the level of technical and vocational performance of the banking sector, and for the dissemination of theoretical and practical banking sciences, and to enhance banking services in Iraq, by qualifying and developing the employees of the banking system.” It is implicit that this covers the whole of the banking community commercial and central bankers.

In addition, as part of the project initiation phase, a Memorandum of Understanding was signed on July 22, 2010 between the United States Agency for International Development and the Central Bank of Iraq.

Within the Memorandum of Understanding it stated that USAID intends to undertake as part of its responsibilities providing to the Central Bank of Iraq, through the Iraq Financial Development Project technical assistance in “Establishing a bank training institute as part of the Central Bank of Iraq that is to be used to provide training to CBI staff and staff from Iraq’s commercial banks.”

Additionally within section II of this Memorandum of Understanding, there is “strong support to establish a training institute.” To this effect a Committee has been formed and this committee is in the process of defining roles and responsibilities” ... “for establishing the Institute as part of the CBI.”

### I.3.2 Stakeholder Management Strategy

Management of stakeholders is important to the initial startup of the BTI and to its long term success, there are two key stakeholders:

- The Central Bank of Iraq
- The Iraqi banks

Stakeholders	Central Bank of Iraq	Iraqi Banks
Views in respect of an Iraqi bank training institute	CBI has established a goal of raising the capabilities of the banking sector to levels comparable to international standards and practices	Iraqi private banks are rapidly adopting modern technology and standards. All banks believe that staff training is required for them to remain competitive.
Implementation Plan Strengths	The implementation plan provides a defined pathway forward. It provides details with dates, deliverables and responsible parties.	The implementation plan integrates the Iraqi Banks in several places. The banks are represented on committees and there are several stakeholder roundtable sessions planned.
Implementation Plan Weaknesses	There is a potential that members on the committees may not be able to complete their term or fulfill their duties as planned during critical foundational stages.	There is a potential that the courses offering may not meet the needs of the bankers. It is also possible that training needs may be overwhelming, leading to short term compromises in quality and content.
Risk Management of Weaknesses	The implementation plan has been developed with details. It is envisioned that support will be given to committees enabling them to work as a structured group, reducing dependency on any one individual.	A detailed curriculum <sup>A</sup> analysis will be developed by the Iraq Financial Development Project. In addition there will be ongoing educational efforts on the aspects of quality training standards this will encourage compliance to international standards.

The first part of the strategy for managing stakeholder relationships involves good representation on Committees and Subcommittees and the Management Board. In addition, all stakeholders will be engaged in consultation, polling and other research. Regular briefings on activities will be distributed in the form of news bulletins via Email and hardcopy.

An additional element of stakeholder management will be “town-hall” type meetings, two of these meetings are strategically planned during start-up phase. The first meeting will occur after the Steering Committee and its Subcommittee has completed major fact-finding activities. These include building a comprehensive

understanding of the task of establishing the Center and undertaking a mission to visit other bank training institutes to see in practice what will needs to be achieved in Iraq. The second meeting will be held after draft action plan reports from the Accreditation, Education and Operations have been received by the Steering Committee. At this meeting with stakeholders, the draft reports will be presented; ideas will be exchanged and incorporated into the final plans.

There will be at least one annual “town-hall” type meeting, where all interested parties will be invited. This will be in addition to the annual general meeting during which there will be limited public participation, in accordance with the charter and by-laws of the Center.

### **I.3.3 Deployment Strategy**

Four stages are planned in the process of establishment of a bank training institute. Each of these stages is a separate and distinct part of development, requiring specific actions, building one upon another. Work has begun on the foundational stage and is in progress. These stages are:

#### **Stage One: Foundational**

The primary objective of the stage is to insure all future actions taken are officially recognized and compliant to legal requirements and from accreditation agencies and others. Expected during this stage are:

- Establishment of a Steering Committee
- Formation of Subcommittees



Stage One activities have started and should be completed by the August 2011.

The initial participants in the foundational stage are: the Central Bank of Iraq – Bank Training Institute Working Group Coordinator and his team and the Iraq Financial Development Project Bank Training Institute Technical Assistance. The Steering Committee<sup>3</sup> has been formed as well as preliminary nominations for subcommittees: Accreditation, Education, Operations. As of June 2011, the steering committee is bringing together individuals from within the Central Bank, public and private banks and academia to work.

#### **Stage Two: Institutional Development**

The overall objective of activities during this stage is to insure that actions taken are on solid foundations. It is planned to build rapport amongst all participants to strengthen their commitment to improving the financial sector through a quality bank training institute. The primary activities during the period will be orientated towards building up information and knowledge for future use. Special attention will be invested to insure a balance is achieved between the needs of both central bankers and those of the commercial banking community.

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<sup>3</sup> A full listing of committee membership and the Provisional Terms of Reference for the Steering Committee and its subcommittees: Accreditation, Education and Operations are displayed below.

Stage Two activities are planned to start the middle of September 2011 and should be completed by the end of 2012.

This stage is one of two transitional stages<sup>4</sup> in the development process and culminating in the official appointment of the Center for Banking Studies<sup>5</sup> Management Board, the Center’s Director and Deputy Director. Expected during this stage are:

- Twenty-five activities of the steering committee and its subcommittee
- Two stakeholder sessions
- One study tour
- Two official acts <sup>6</sup>

The key participants in this stage are: the Central Bank of Iraq – Bank Training Institute Working Group Coordinator, the Bank Training Institute Steering Committee and its subcommittees: Accreditation, Education and Operations; and the stakeholders. All participants will be supported by the Project Advisor.

One way that information will be gathered is through the completion of a study tour to one or more of bank training institutes. The selection of the institute(s) to visit will be based upon a study and decision taken by the Steering Committee, taking into account both the current situation in Iraq and the vision for the near future. Potentially during this visit a central bank will be incorporated.

A second way will be two “town-hall” sessions. The first is planned at a point in the process where the Steering Committee has preliminary results of studies will be poised to convey concrete plans. The second will be to provide updated information on accomplishments.

Another way which foundations will be built across all stakeholders will be presentations to be made by the Iraq Financial Development Project Bank Training Institute Technical Assistance group. These information awareness presentations include:

- The Foundational White Paper – for the establishment of an Iraqi Bank Training Institute
- The process of accreditation, basic overview and specifics on selected accreditation agencies
- The elements of education in relation to work place learning
- The operational elements, basic overview and specifics on subject such as site selection, interior design, etc.
- Certification programs and elements of high stakes competency assessment examination processes

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<sup>4</sup> The second stage is Institutional Launch. With its completion the Bank Training Institute will be launched. Details on this stage are found below.

<sup>5</sup> The official name of the Iraqi Bankers Training Institute according to legislation is the “Center for Banking Studies” as per Law 36. There is however a common tendency to refer to it as the Iraqi Bankers Training Institute when speaking with bankers and other stakeholders. This will change as progress is made towards establishment of the entity.

<sup>6</sup> One official act is by the Governor, the other by the Governing Board of the Central Bank of Iraq

### **Stage Three: Institution Launch**

This stage is the second of the two transitional stages, it is when the concept of the bankers training institute becomes the **Center for Banking Studies**. During this period the Steering Committee and its subcommittees will be dissolved, passing over all information gathered and proposals created to the Management Board for<sup>7</sup> further action.

Stage Three activities are planned to start the first quarter of 2012 and will be completed by the end of May 2012.

Four activities expected in this stage, all relate to transferring responsibilities from the Steering Committee to the Management Board.

Key participants are: the Bank Training Institute Steering Committee and its subcommittees: Accreditation, Education and Operation, the Management Board<sup>8</sup> of the Center for Banking Studies and its subcommittees: Academic, Operations and Audit. These participants will be supported by the Iraq Financial Development Project Bank Training Institute Technical Assistance.

### **Stage Four: Institutionalization**

At this stage the Management Board will have taken full control of operations of the Center for Banking Studies. The Director of the Center and the Deputy will have been appointed and employment of personnel in accordance with the staffing plan will have commenced. And the Center for Bank Studies will commence offering courses based upon published annual training plans.

At this point the Center for Banking Studies will be servicing the needs of the whole banking fraternity, central bankers and commercial bankers as well.

Stage Four activities are planned to start June 2012 and will be continue for the life of the bank training institute.

### **1.3.4 Resource Management Strategy**

Resources are required to act upon the implementation plan. The following resources have been identified as key critical resources, each of which affects the timeliness of progress.

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<sup>7</sup> The Management Board is the central legal representative of the Center for Banking Studies. A select number of its resolutions are subject to the Governor's approval. The Governor must be informed of all other resolutions within 15 days of issuance. The Management Board may also delegate selected power, not otherwise restricted to the Director General as per Law 36, 1999

<sup>8</sup> Provisional Terms of Reference for the Management Board and its subcommittees: Academic , Operations and Audit are displayed below in section 2.2 The Management Board

Critical Resource	Critical Resource Rationale	Resource Management Strategy
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During the Foundational , Institutional Development and Institutional Launch Stages

Committee and Subcommittee members	Committee and subcommittees members provide the local national decision making factor which will insure Iraqi process ownership.	The Project will undertake efforts to maintain focus on key decision points. It will work to ensure that all materials are prepared in such a manner that the time invested by committee and subcommittee members is maximized for the achievement of the Center’s establishment.
Support Personnel	Support personnel will undertake detailed work such as research. This will allow the committee and subcommittee members to focus on understanding and taking decisions.	Support personnel will be provided by the Project in the form of long term and short term technical assistance. It is anticipated that the CBI will also contribute assistance through its network of contacts and internal staffing.
Stakeholders	Acceptance of the institution by the stakeholders is important to its development. Involvement of all stakeholders during creation will increase the probability of acceptance.	Regular engagement of stakeholders in all processes will insure that their ideas are important and being taken into account when creating the institute.
Translation resources	A significant amount of the materials which will be used in the process are in English.	It is anticipated that translation resources will be contributed by all parties involved in the process.

During the Institutionalization Stage

Management Board	The Management Board is the supreme governing council of the Center in accordance with the Law 36, 1999.	The required operating activities of the Management Board have been established by law. By providing the Management Board with a solid foundation in the form of a detailed implementation plan and combining this with transparency and stakeholder engagement proper performance of this resource should be insured.
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Critical Resource	Critical Resource Rationale	Resource Management Strategy
Stakeholders	Continuing usage of the Center by its stakeholders is important to its success.	Building on the interactive processes used during development, the Center’s Management Board and its personnel will continue to engage stakeholders and bring their needs into the process of managing the Center.
Center for Banking Studies Personnel	Day-to-day activities of personnel will set the operational tone. They will make and maintain the Centers reputation.	Creation of a strong ethic of transparency during its establishment combined with publication of policies, procedures and practices will ensure there is internal and external monitoring and evaluation of the Center’s personnel sufficient to keep them focused on its mission.

## 2.0 ACTIVITIES AND RESPONSIBILITIES OF KEY GROUPS

Within each phase of the Center for Banking Studies existence there are key groups that will be engaged in its life. These groups are:

- Stakeholders
- Committees and Subcommittees
- Management Board
- Center for Banking Studies Personnel

Stakeholders fill a critical role. During the creation phase of development, cooperation between stakeholders and the committees will insure an organization is created which adds value to present activities while contributing to the CBI Governor’s Vision of moving forward Iraq’s competencies to international levels. As the Center progresses, its abilities to serve the needs of its stakeholders will be a determining factor in its sustainability.

Each of the committees and subcommittees provides a foundation for the future. Consistency and continuity by following a clearly defined plan of activity is important to factors such as credibility and international accreditation. Organization and discipline in approach is paramount.

The Management Board has a responsibility for formal establishment of the Center and maintaining it in accordance with its charter and bylaws. It has a shared responsibility to work with the banking fraternity to ensure that the Center is contributing to the development of the sector. In addition, the Management Board will serve as the international<sup>B</sup> liaison for the Center.

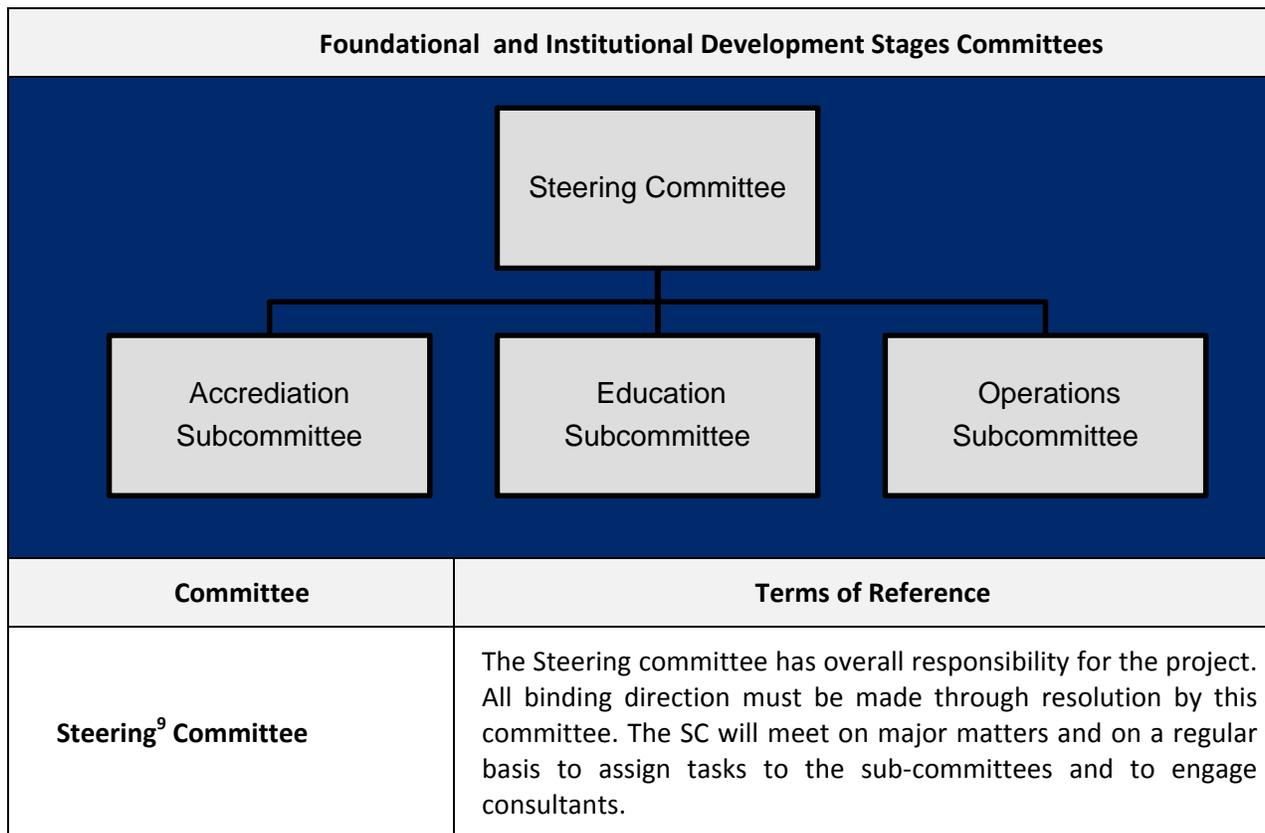
The Center for Banking Studies personnel will have a very important role in implementing the decisions and guidance provided by the Management Board. The CBS staff will be responsible for building up the credibility and reputation of the institution. They will act as the primary interface between the banking

sector and the Management Board to insure there is continuous development of the Center as circumstances change.

### 2.1.1 The Foundational Steering Committee and Subcommittees

The organizational chart below along with the activity description, shows the Steering Committee and its subcommittees as they will operate during the foundational and institutional development stages.

After the completion of these stages, the steering committee and the subcommittees will disband, turning over all work products to the Management Board.



<sup>9</sup> Members of the Steering committee have been defined under the Memorandum of Understanding for the Iraq Financial Development Project.

<p><b>Accreditation Subcommittee</b> <b>Three Members</b></p>	<p>The orientation is towards insuring that all steps taken by the institute contribute to achieving international accreditation. There will be one interlocking member with the education committee. Activities of the accreditation committee will include testing standards, standards for course work development, record retentions, coordination with other local and international organizations regarding accreditation.</p>		
<p><b>Education Subcommittee</b> <b>Three Members</b></p>	<p>The Education committee will be dealing with curriculum, course content, instructional standards, integration of training into the workplace and coordination with banks. There will be one interlocking member with the accreditation committee. Standards for lecturers and tutors will also be part of their domain. It is envisioned that this committee’s portfolio will be taken over by the Management Board Sub-committee on Education.</p>		
<p><b>Operations Subcommittee</b> <b>Three Members</b></p>	<p>The committee will deal with all Institute governance, legal status, premises, and budgeting, policy, personnel and procedure issues. The committee will be responsible for generation of position descriptions, coordination of refurbishments, and selection of systems for accounting and enterprise management. It will also work on marketing and development.</p>		
<p><b>Possible subcommittees appointments:</b></p>			
<p><b>Steering Committee</b></p>	<p><b>Accreditation Subcommittee</b></p>	<p><b>Education Subcommittee</b></p>	<p><b>Operations Subcommittee</b></p>
<p><b>Iraqi National Voting Positions</b></p>			
<p>1. Director General of Statistics and Research at the Central Bank of Iraq</p>			<p>First Appointment<sup>10</sup> <b>Chairperson</b></p>
<p>2. Training Department Expert at the Central Bank of Iraq</p>	<p>First Appointment <b>Chairperson</b></p>	<p>Second Appointment</p>	
<p>3. Representative of the State Owned Banks</p>			<p>First Appointment</p>
<p>4. Representative of the Privately Owned Banks</p>	<p>Second Appointment</p>	<p>First Appointment</p>	

<sup>10</sup> There will be first appointments and second appointments to committees.

5. Representative of the Banker’s Advocacy Group	First Appointment		Second Appointment
6. Representative of the Baghdad University		First Appointment Chairperson	
<b>International Observer and Consultative Positions<sup>11</sup></b>			
7. Representative of the U S Treasury O T A	Appointment		
8. Representative of USAID	Appointment		
9. Adjunct Representative from the I F C	Appointment		
<p>The Bank Training Institute is an Iraqi institution, to be developed, financed and managed by and for Iraqis. In keeping with the spirit of the concept for creation of the institute as expressed by the Law Nr. 36<sup>12</sup> of the CBI, positions on the steering committee allowed to make commitments for use in creating the Bankers Training Institute are limited to Iraqi citizens.</p> <p>Internationals are welcomed to contribute to activities of the board, however in a non-voting manner only.</p>			

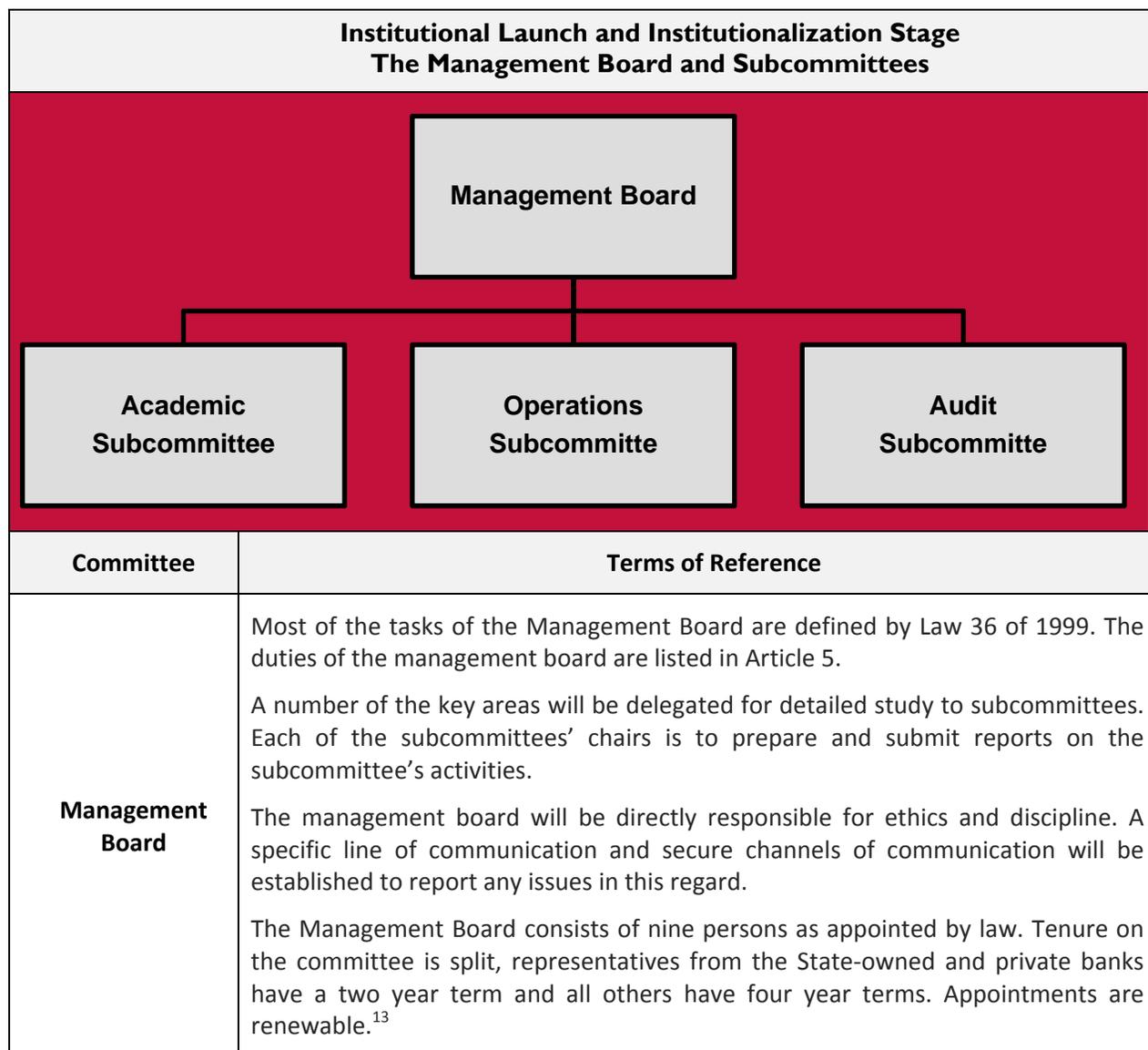
<sup>11</sup> In addition to this position, it is anticipated that consultative reliance will be places upon the resources of the Financial Sector Volunteer Corp and other donors such as large, international banks.

<sup>12</sup>Article 5, Item J requires that the Management Board approve the number of board members which are representatives from outside of Iraq, i.e. non-Iraqi citizens.

### 2.1.2 The Management Board

The organizational chart below, along with the activity descriptions, shows the Management Board and its subcommittees during the institutional launch and institutionalization phases.

The institutional launch phase is a transitory phase where the Management Board essentially reviews and adopts those portions of the work of the Steering Committee and its subcommittees which it accepts. The institutionalization phase is a period where the Management Board and its subcommittees take up their routines as defined by Law 36 and by the by-laws adopted by the organization.



<sup>13</sup> Initial appointments should be organized in a manner to insure board continuity.

<p><b>Academic Subcommittee</b></p>	<p>The Academic Subcommittee will take over the activities of the Steering Sub-Committees – Education and Accreditation. Their primary job will be to oversee all academic issues including coordination of research studies, reviewing and approving of higher level examinations and publishing.</p> <p>The Subcommittee will consist of three persons. Tenure on the committee is two years. Initial appointments will be organized in a manner to insure subcommittee continuity</p>
<p><b>Operations Subcommittee</b></p>	<p>The Operations Subcommittee is responsible for all direct operations including management and finance. The committee will review regular financial reports. It will be engaged in budget planning in coordination with the Academic Subcommittee.</p> <p>The Subcommittee will consist of three persons. Tenure on the committee is two years. Initial appointments will be organized in a manner to insure subcommittee continuity</p>
<p><b>Audit Subcommittee</b></p>	<p>The audit committee fulfills the requirement to receive the report of the external auditor; they will also work directly with the internal auditor. Membership on this sub-committee will required a basic understanding of financial management plus at least one member qualified through education or experience in auditing. Members of this sub-committee will not sit on any other sub-committees nor be employees of the Center.</p> <p>The Subcommittee will consist of three persons. Tenure on the committee is two years. Initial appointments will be organized in a manner to insure subcommittee continuity</p>

**Possible subcommittees appointments:**

<p><b>Management Board Member</b></p>	<p>Academic Subcommittee</p>	<p>Operations Subcommittee</p>	<p>Audit Subcommittee</p>
<p>1. Director General of Statistics and Research at the Central Bank of Iraq</p>		<p>First Appointment</p>	
<p>2. Representative of the State Banks, the General Directors</p>	<p>First Appointment</p>		<p>Second Appointment</p>
<p>3. Representative of the Ministry of Higher Education and Scientific Research</p>	<p>First Appointment <b>Chairperson</b></p>		<p>Second Appointment</p>

4. First Representative from the non-governmental banks	First Appointment		
5. Second Representative from the non-governmental banks		First Appointment	First Appointment Chairperson
6. Director of the Center		First Appointment Chairperson	<b>Not an Option</b>

### 2.1.3 Center for Banking Studies Personnel

The personnel of the Center for Banking Studies will be very important. There are several options with respect to lecturers. It is anticipated that they will be recruited from both academia and practitioners. One option has these persons employed as permanent staff. Another option has them working on a contract basis employed as required. The selection of one option or a blend of both is a decision which must be made within the committees.

Descriptions of duties proposed along with an organization chart for staffing of the Center for Banking Studies are:

Nr.	Job Title	Description of Proposed Duties
1	Managing Director	The MD has overall executive responsibility for the Center for Banking Studies. A number of the duties of the MD are defined in Law 36, Article 7, section II.
	Reports to: Management Board	
2	Executive Assistant to MD	The executive assistant provides administrative support to the MD as required.
	Reports to: Managing Director	
3	Assistant Managing Director	The Assistant Managing Director will be responsible for day-to-day activities, dealing with operations and administration of the Center
	Reports to: Managing Director	
4	Executive Assistant to Assistant MD	The executive assistant provides administrative support to the Assistant MD as required.
	Reports to: Assistant MD	
5	<b>Regional Directors</b>	Each of the regional offices will have a Director responsible for all activities within their branch. These individuals will report to M D.
	Reports to: Managing Director	
6	<b>Regional Directors Assistants</b>	The assistant provides administrative support to the Regional Directors as required. In addition they will have responsibility to work with the Training Program Manager to coordinate teaching schedules.
	Reports to: Regional Directors	
7	Financial Controller	The Financial Controller will oversee finances. This will

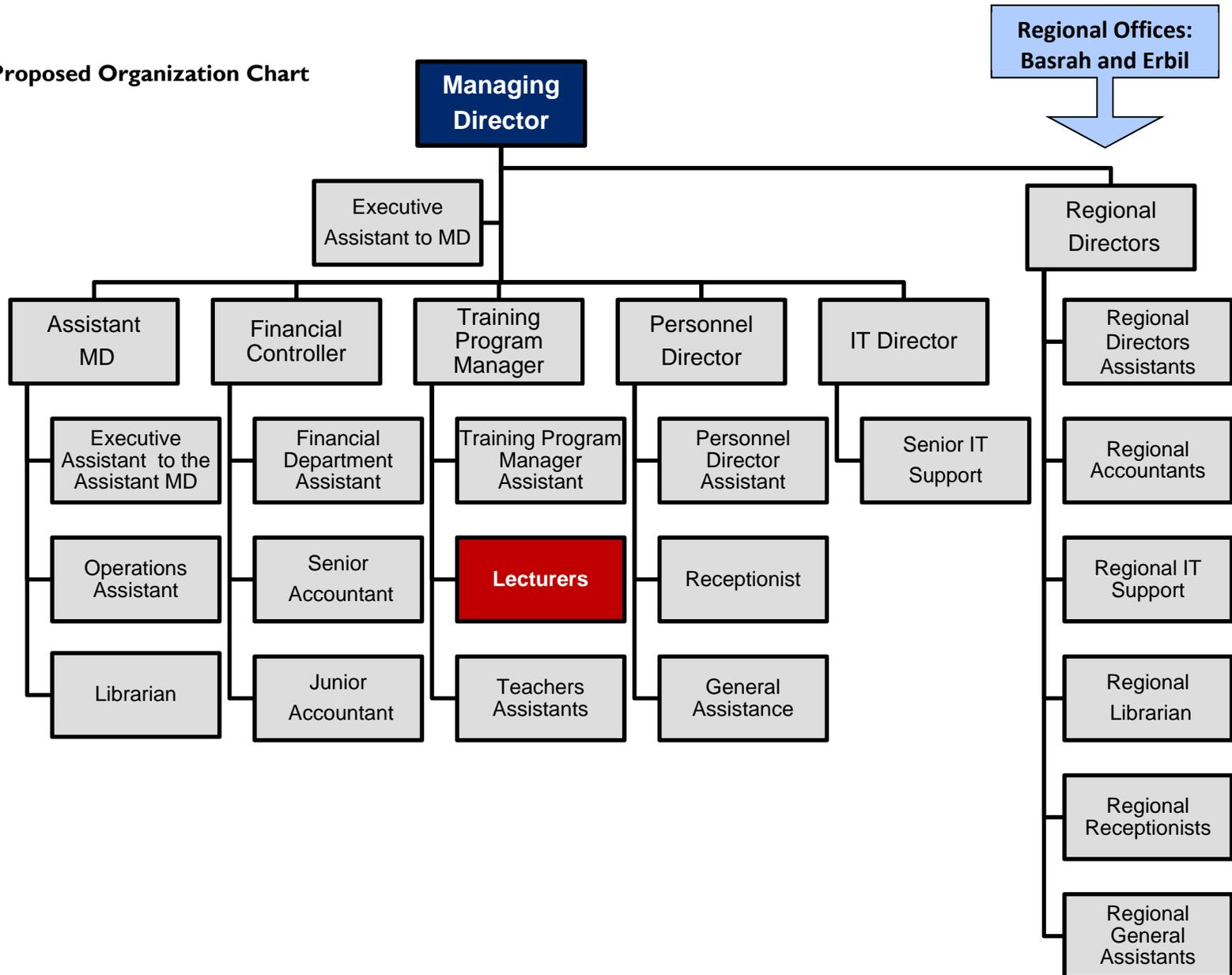
Nr.	Job Title	Description of Proposed Duties
	Reports to: Managing Director	include accounting, internal controls and budgeting.
8	Financial Department Assistant Reports to: Financial Controller	The assistant provides administrative support to the financial department as required.
9	Senior Accountant Reports to: Financial Controller	The Senior Accountant will have primary responsibility for accounting, insuring that revenues are collected in a timely manner and that accounts are kept in order. They will be responsible for preparing payments including payroll and other operating expenses
10	<b>Regional Accountants</b> Reports to: Financial Controller	Regional accountants will maintain local accounting records. All disbursements other than local petty cash amounts will be submitted to the headquarters location for payment by wire.
11	Junior Accountant Reports to: Financial Controller	The Junior Accountant will coordinate activities with the regions. They will also be responsible for maintenance of property records and review of operational controls.
12	Operations Assistant Reports to: Assistant MD	The operations assistant will be engaged in procurement, administration of inventories, coordination with suppliers and the coordination of these tasks with the regional offices through the regional directors.
13	Lecturers <sup>14</sup> Reports to: Training Program Manager	Lecturers will provide seminars, workshops and other learning events. They will be responsible for preparation of some course materials and contributing to the development of curriculum.
14	Teachers Assistants Reports to: Training Program Manager	Teacher’s assistants will provide support to instructors. They will be engaged in correcting examinations and developing materials. They will monitor and organize events, prepare materials, grade tests and where necessary provide support to students.
15	Training Program Manager Reports to: Managing Director	The training program manager will oversee all aspects of the training activities. Monitoring training plans, ensuring that there is compliance to the instructors’ materials and records are properly archived.

<sup>14</sup> The preferred scenario for lecturers envisions either all or most of them as suppliers, contractors. This approach allows for a wider range of knowledge and skills to be employed. It would be possible to have staff instructors engaged in core curriculum activities as one alternative.

Nr.	Job Title	Description of Proposed Duties
16	Training Program Manager Assistant	The Training Program Manager Assistant will be primarily responsible for coordination with the regions insuring that all materials are distributed and collected in a timely manner.
	Reports to: Training Program Manager	
17	I.T. Director	The IT Director will insure overall stability of the IT equipment. They will also be engaged in maintain any computer based testing facilities employed by the center.
	Reports to: Managing Director	
18	<b>Regional I.T. Support</b>	The regional IT support personnel will insure that all local IT equipment is operating properly and that backups of data occur on schedule and are safeguarded.
	Reports to: Regional Directors	
19	Senior I.T. Support	The Senior IT support person will coordinate overall safeguarding of data and IT resources. In addition they assist in maintenance of Audio-Visual instructional aids.
	Reports to: I.T. Director	
20	Librarian	The librarian will maintain the Center’s learning resources center. They will monitor and maintain these resources and insure that they are available for use.
	Reports to: Assistant Managing Director	
21	<b>Regional Librarian</b>	The regional librarian will maintain the local learning resources in coordination with headquarters. They will also assist in distribution and collection of educational material in coordination with local lecturers and teacher assistants. They will have a shared responsibility for archiving materials.
	Reports to: Regional Directors	
22	Personnel Director	The personnel director will be responsible for all human resources related matter. This would include exchanging information with participant’s banks as part of the instructional plan development.
	Reports to: Managing Director	
23	Personnel Director Assistant	The assistant provides administrative support to the personnel department as required. They will also be responsible for maintaining student records.
	Reports to: Personnel Director	
24	Receptionist	In addition to general duties, the receptionist will be

Nr.	Job Title	Description of Proposed Duties
	Reports to: Personnel Director	engaged in student registration. They will review and accept applications in coordination with the Training Manager.
25	<b>Receptionist in the Regions</b>	In addition to general duties, the receptionist will be engaged in student registration. They will review and accept applications in coordination with the Regional Director and Training Manager.
	Reports to: Regional Directors	
26	General Assistance	The General Assistance individual will provide all around help to the center as needed. They may be involved as drivers, assisting in proctoring exams, distribution of materials, etc.
	Reports to: Personnel Director	
27	<b>Regional General Assistants</b>	The General Assistance individual will provide all around help to the center as needed. They may be involved as drivers, assisting in proctoring exams, distribution of materials, etc.
	Reports to: Regional Directors	

**Proposed Organization Chart**



### 3.0 DETAILED IMPLEMENTATION PLAN

Following is a detailed implementation plan. There are 36 steps, going from foundational through to the institutional launch stage. This plan is a template for the committees and subcommittees as they work their way to opening the Center for Banking Studies. The plan has been developed assuming the following will occur:

- Meetings will be structured and follow a progressive pattern of development and rules of procedure will be followed.
- Funding will be available to offset all reasonable expenses associated with committee and subcommittee activities as they arise.
- Professional translation services will be available to facilitate meetings and produce documents for use in both Arabic and English.
- Support staff will be available to all to assist in production of reports, studies and presentations.
- Adequate research materials will be on hand as necessary and at the times required.
- There will be an ability to move freely as required neither security nor transport will materially affect the ability of all to carry out their duties.

Official meetings will be scheduled at regular intervals. The following schedule is proposed for this implementation plan.

<b>During the Foundational Stage</b>	
Steering Committee	Once every seven days
<b>During the Institutional Development Stage</b>	
Steering Committee	Every twenty-one days
Subcommittees : Accreditation, Education and Operations	Every fourteen days
<b>During the Institutional Launch Stage</b>	
Steering Committee	Once to hand over
Management Board	Once every seven days
Subcommittees : Academics and Operations	Twice during this stage, prior to Management Board meeting
<b>During the Institutionalization Stage and beyond</b>	
Management Board	Monthly as per the Law 36
Academics Subcommittees	The second month of each quarter, alternating with the Audit Committee
Operations Subcommittees	Monthly , prior to Management Board
Audit Subcommittees	The second month of each quarter, alternating with the Academics Committee

### 3.1.1 Activities proposed for Implementation

#### Overview of Key Deliverables

		2011				12
		SEP	OCT	NOV	DEC	JAN
<b>0</b>	Steering committee Appointed ( this act has already occurred )					
<b>0.1</b>	Organizing of activities of Steering Committee (underway)					
<b>0.2</b>	Implementation Plan accepted					
<b>1</b>	Initiate planning for Informational study tour					
1.1	Conduct informational Study Tour					
<b>A</b>	Stakeholders “Town-hall” meeting					
<b>2</b>	Initiate actions to validate Law # 36, 1999 “The Center for Banking Studies”					
2.1	Complete validation of Law # 36, 1999 “The Center for Banking Studies”					
<b>3</b>	Submit progress report on activities to the Governor of the CBI					
<b>4</b>	Initiate the development of a the common bodies of knowledge for Iraqi bankers					
4.1	Approve the draft common bodies of knowledge for Iraqi bankers					
4.2	Draft core curricula for commercial and central bankers					
4.3	Complete Standards of Instruction inclusive of Instructor Profiles and Job Description					
<b>5</b>	Commence the budget planning processes, multi-year					
5.1	Identify proposed sites for the BTI – Baghdad, Basra and Erbil					
5.2	Complete multi-year budget plan					
<b>6</b>	Approve draft report in the process of obtaining accreditation for the BTI					
<b>7</b>	Initiate contact with accrediting organizations					
<b>8</b>	Evaluate the uses of enabling grants for development					
8.1	Finalize grants uses proposals					
<b>9</b>	Commence preparation of report final activity reports of the BTI Steering Com.					
9.1	Hand over final reports of BTI Steering Com. to Mgmt. of “Center for Banking Studies” (CBS)					
<b>10</b>	Submit of nomination documents for BTI Mgmt. Board, Director and Dep. Dir. to CBI Mgmt.					
10.1	Appointment of the Mgmt. Board, Director and Dep. Dir. of the “Center for Banking Studies”					
<b>B</b>	Stakeholders “Town-hall” meeting					
<b>11</b>	First meeting of the Management Board of the “Center for Banking Studies”					
11.1	Acceptance of Annual Work Plan of the “Center for Banking Studies”					
11.2	Appointment of Subcommittees: Education, Operations, Audit					

Completion of step 11 represents the creation of the Center for Banking Studies as a standalone entity, with a Management Board and the two key operating persons, the Director and the Deputy Director, at this point building actions will move from a planning environment into a factual one. Based upon the results of the work of the Steering Committee and its supporting groups the Center for Bank Studies Director will be equipped with a manuscript to follow guiding the mobilization of resources and commencing tangible activities.

A number of tasks and duties of the Management Board and Executive leadership are set forth in Law 36, 1999, Article 5; these are “must-do” task, such annual work plans, regular board meetings, etc. In addition to these the Senior Management will be running and growing the business.

It is anticipated that hiring of key personnel will start immediately, amongst these will be a Training Manger. The Training Manager will be directly occupied with rolling out educational programs. In this regard they shall be reviewing and organizing instructional materials, building a course catalogue and strengthen the pool of instructors.

Other key personnel to be engaged will be financial and managerial. These individuals will activate support systems to make certain that the Center for Bank Studies is delivering its services and maintain itself.

During the first year of operations, commencing in June 2012 the portfolio of course for both central and commercial banker will be targeted toward those most urgently needed. As time passes the Center will continue to build this catalogue to support both groups’ needs.

Efforts will be ongoing throughout the startup period of the institute to maintain a strong base of instructors through various training of trainer events. It will also work to increase and enhance teaching materials.

Essentially, getting to step 11 above represents the end of the beginning of the creation of a bank training institute. The work and the efforts up to that point will represent the consolidated best efforts of many individuals; the 12th step is taking these efforts and moving forward to build an institution called the “Center for Banking Studies.” All of the actions and activities which will be taking will be placed into the hands and the good judgment of the well selected, well supported and well prepared individuals.

### 3.1.2 Detailed Activities Proposed for Implementation

Ref. Nr.	Required Action	Responsible Party	Expected Activities and Deliverables	Date
<b>3.1.2.1 Stage One : Foundational <sup>15</sup></b>				
1	Establishment of the Bank Training Institute Steering Committee (BTI-SC)	Central Bank of Iraq (CBI)	<u>Committee Members</u> will be <u>officially appointed</u> in their capacity as the decision making authorities in matters associated with the Bank Training Institute (BTI)	JUN 2011
2	Foundational meeting of the BTI--Steering Committee	CBI – BTI Working Group Coordinator (CBI-BTI WGC) the Iraq Financial Development – BTI Technical assistance	<ol style="list-style-type: none"> <li>1. Appointment of a committee secretary and rules of procedure</li> <li>2. Establishment of the rules of procedure for the committee</li> <li>3. Acceptance for consideration of the <u>terms of reference</u> of the BTI-SC and for the sub-committees : Accreditation (BTI-SC/A) ; Education (BTI-SC/E); Operations (BTI-SC/O)</li> <li>4. <u>Acceptance</u> for consideration a <u>proposed schedule</u> of BTI-SC meetings for the coming <u>six months</u></li> </ol>	JUN 2011
3	Meeting # 1 of the BTI-Steering Committee	CBI-BTI SC Iraq Financial Development -BTI-TA	<ol style="list-style-type: none"> <li>1. Presentation, review and acceptance of minutes from previous meeting</li> <li>2. Approval of terms of reference for the BTI-SC and sub-committees</li> <li>3. Approval of schedule of BTI-SC meetings for the coming six months</li> <li>4. Acceptance for consideration a proposed work plan for BTI-SC, BTI-SC/A, BTI-SC/E, BTI-SC/O</li> </ol>	JUL 2011

<sup>15</sup> The foundational stage is defined to be that period when the activity is being organized. The Steering Committee and Subcommittees are formalized. The process is significant to insure that from the start, activities are structured.

### 3.1.2 Detailed Activities Proposed for Implementation

Ref. Nr.	Required Action	Responsible Party	Expected Activities and Deliverables	Date
<b>3.1.2.1 Stage One : Foundational <sup>15</sup></b>				
1	Establishment of the Bank Training Institute Steering Committee (BTI-SC)	Central Bank of Iraq (CBI)	<u>Committee Members</u> will be <u>officially appointed</u> in their capacity as the decision making authorities in matters associated with the Bank Training Institute (BTI)	JUN 2011
4	Meeting # 2 of the BTI-Steering Committee	CBI-BTI SC Iraq Financial Development -BTI-TA	<ul style="list-style-type: none"> <li>• Presentation, review and acceptance of minutes from previous meeting</li> <li>• <u>Appointment of</u> BTI-SC members to <u>sub-committees</u>: Accreditation (BTI-SC/A) ; Education (BTI-SC/E); Operations<sup>16</sup> (BTI-SC/O)</li> <li>• <u>Accept for review and consideration</u> the Iraq Financial Development Project -BTI-TA Foundational <u>White Paper</u> for the Establishment of an Iraqi Bank Training Institute</li> <li>• Receive overview presentation of Foundational White Paper by the Iraq Financial Development Project -BTI-TA</li> <li>• Set date and plan of activity launch meeting with stakeholder community</li> </ul>	JUL 2011 or possible SEP 2011 (due to Ramadan Holiday Period

<sup>16</sup> Operations Subcommittee members have been appointed at the July 03, 2011 meeting of the Steering Committee. Proposals for members of Subcommittees for Accreditation and Education are under consideration.

### 3.1.2 Detailed Activities Proposed for Implementation

Ref. Nr.	Required Action	Responsible Party	Expected Activities and Deliverables	Date
<b>3.1.2.1 Stage One : Foundational <sup>15</sup></b>				
1	Establishment of the Bank Training Institute Steering Committee (BTI-SC)	Central Bank of Iraq (CBI)	<u>Committee Members</u> will be <u>officially appointed</u> in their capacity as the decision making authorities in matters associated with the Bank Training Institute (BTI)	JUN 2011
4.2	Appointment of BTI-Subcommittee members		Each sub-committee will be composed of three persons. The Steering committee is composed of nine persons. Six of these are Iraqi National Voting Positions and three are international observers and consultative positions. This means that some persons will be involved on more than one subcommittee.	
4.5	Plan for launch meeting with stakeholders community		This event will be of a larger nature involving both Senior Management and those persons directly involved with training and development. The objective of this session will be to present information found in the white paper plus gather thoughts about training needs. Relationship building will be a direct part of the event.	

3.1.2.2 Stage Two: Institutional Development <sup>17</sup>				
Ref. Nr.	Required Action	Responsible Party	Expected Activities and Deliverables	Date
5	Meeting #3 of the BTI-Steering Committee	CBI-BTI SC Iraq Financial Development -BTI-TA	<ol style="list-style-type: none"> <li>1. Presentation, review and acceptance of minutes from previous meeting</li> <li>2. Receive detailed presentation of Foundational White Paper – Section One by the Iraq Financial Development Project -BTI-TA</li> <li>3. Accept for review and consideration the Iraq Financial Development -BTI-TA Implementation Plan for the Iraqi Bank Training Institute</li> <li>4. <u>Initiate planning</u> for informational <u>study tour</u> to related other bankers training institutes</li> <li>5. <u>Initiate contact</u> with <u>regional and international banker training institutes</u>, appoint a working group as primary point of contact in coordination with the General Manager of the International Conventions Department of the CBI</li> <li>6. Finalize plans for activity launch meeting with stakeholders</li> <li>7. Commence preparation of report / briefing for Central Bank of Iraq – Governor</li> </ol>	SEP 2011 ( due to Ramadan Holiday Period )
Ref Nr.	Expected Activity	Notes		
5.5	Initiate contact with regional and international bankers training institutes	To maintain the identity of the Institute as being under the supervision of and with the support of the CBI, this contact needs to be initiated by the CBI's office.		

<sup>17</sup> The Institutional Development Stage is the period when the studies, reviews and proposals will be made. It is the first of two transitional phases in the establishment of the bankers training institute. Subcommittees will be active in gathering data and preparing information for consideration by the Steering Committee and acceptance by the future Management Board of the Center for Banking Studies

**3.1.2.2 Stage Two: Institutional Development <sup>17</sup>**

Ref. Nr.	Required Action	Responsible Party	Expected Activities and Deliverables	Date
5.7	Report/Briefing for the Governor		The Steering Committee should keep open and regular dialogue with the Governor. With this first report, information about the findings of the white paper, the implementation plans, projected study tour, etc. should be encapsulated in a two to three page summary	
Ref. Nr.	Required Action	Responsible Party	Expected Activities and Deliverables	Date
6	Meeting # 1 of the BTI-SC/Accreditation	CBI-BTI WGC BTI-SC/A Iraq Financial Development -BTI-TA	<ol style="list-style-type: none"> <li>1. Receive a <u>presentation on the process of accreditation</u> of a bankers training institute from the Iraq Financial Development -BTI-TA</li> <li>2. Appoint Subcommittee Secretary</li> </ol>	SEP 2011
Ref Nr.	Expected Activity	Notes		
6.1	Presentation on the process of accreditation	Note: presentations made by the Iraq Financial Development – BTI- TA will be designed to transfer basic concepts on selected topics. It is the intent of the Iraq Financial Development -BTI-TA to disseminate these presentations further into the banks and other stakeholders to insure. The objective of these sessions is to transfer knowledge for later used in developing the BTI <sup>18</sup> . This will be part one of a two part session <sup>19</sup> on accreditation the following questions will be answered: What is Accreditation? Who controls Accrediting Bodies? Why accreditation is so important? Setting Standards to Accredite? And additional points.		

<sup>18</sup> Sessions would be targeted to be one hour presented in Arabic. If translation was necessary – this could add at least 50% to the time required.

<sup>19</sup> It is assumed that Committee and Sub-committee meetings will last between 60 and 90 minutes. An allocation of 45 minutes will be made for presentations, the remainder of the time for review of business, decisions and discussions. Presentations will be made by expatriates.

3.1.2.2 Stage Two: Institutional Development <sup>17</sup>				
Ref. Nr.	Required Action	Responsible Party	Expected Activities and Deliverables	Date
7	Meeting # 1 of the BTI-SC/Education	CBI-BTI WGC BTI-SC/E Iraq Financial Development -BTI-TA	<ol style="list-style-type: none"> <li>1. Receive a <u>presentation on the elements of education</u> of a bankers training institute from the Iraq Financial Development -BTI-TA</li> <li>2. Appoint Subcommittee Secretary</li> </ol>	SEP 2011
Ref Nr.	Expected Activity		Notes	
7.1	Presentation on the elements of workplace learning		The objective of this session is establishing a strong educational framework for the BTI. This will become important as the international reputation of the institute develops. This will be part one of a two part session, information on the following will be presented: Assessing and Analyzing needs, Designing and Developing Effective Learning, Measuring and Evaluating Impact, Managing the Learning and Performance Function. And additional points.	
Ref. Nr.	Required Action	Responsible Party	Expected Activities and Deliverables	Date
8	Meeting # 1 of the BTI-SC/Operations	CBI-BTI WGC BTI-SC/O Iraq Financial Development -BTI-TA	<ol style="list-style-type: none"> <li>1. Receive a <u>presentation on the operational elements</u> of a bankers training institute from the Iraq Financial Development -BTI-TA</li> <li>2. Appoint Subcommittee Secretary</li> </ol>	SEP 2011
Ref Nr.	Expected Activity		Notes	
8.1	Presentation on the operation elements of a bankers training institute		This will be part one of a two part session. The objective of this session will be to discuss operational aspects including buildings, classrooms, approaches to training such as e-learning and distance learning. It will also examine how training runs as a business, what elements are necessary to support this approach.	
Ref. Nr.	Required Action	Responsible Party	Expected Activities and Deliverables	Date

3.1.2.2 Stage Two: Institutional Development <sup>17</sup>				
Ref. Nr.	Required Action	Responsible Party	Expected Activities and Deliverables	Date
9	Meeting #4 of the BTI-Steering Committee	CBI-BTI SC Iraq Financial Development -BTI-TA	<ol style="list-style-type: none"> <li>1. Presentation, review and acceptance of minutes from previous meeting</li> <li>2. Receive presentation of Foundational White Paper – Sections Two and Three by the Iraq Financial Development -BTI-TA</li> <li>3. <u>Accept for use the Implementation Plan</u> for the Iraqi Bank Training Institute</li> <li>4. Complete planning for informational study tour to related other bankers training institutes</li> <li>5. <u>Initiate</u> actions to <u>validate Law # 36, 1999</u> “The Center for Banking Studies”</li> <li>6. Complete and submit an <u>activity report for</u> Central Bank of Iraq – <u>Governor</u></li> </ol>	SEP 2011
Ref Nr.	Expected Activity		Notes	
9.4	Complete planning for informational study tour		It is expected that this study tour will be funded from grant <b>BTIG01</b> <sup>20</sup> . It is also expected that the venues visited will be the IBBM in Malaysia and the College of Banking and Financial Studies. These two sites were selected to as entities with positive attributes within the range of implementation by the Iraqi BTI. Participants for this trip are planned at five from the Management Board and two other stakeholders.	
Ref. Nr.	Required Action	Responsible Party	Expected Activities and Deliverables	Date

<sup>20</sup> See Annex A for the listing of illustrative grant proposals

<b>3.1.2.2 Stage Two: Institutional Development <sup>17</sup></b>				
<b>Ref. Nr.</b>	<b>Required Action</b>	<b>Responsible Party</b>	<b>Expected Activities and Deliverables</b>	<b>Date</b>
<b>ST-I</b>	<b>Study Tour<sup>21</sup></b>	CBI-BTI SC Iraq Financial Development -BTI-TA	<ol style="list-style-type: none"> <li>1. Carry out study tour to selected BTIs</li> <li>2. Gather materials for presentation</li> </ol>	OCT /NOV 2011
<b>EE-I</b>	<b>Stakeholders meeting</b>	CBI-BTI SC Iraq Financial Development -BTI-TA BTI-SC/A BTI-SC/E BTI-SC/O	<ol style="list-style-type: none"> <li>1. Presentations to be made by Steering Committee and individual committees : Accreditation (BTI-SC/A) ; Education (BTI-SC/E); Operations (BTI-SC/O)</li> </ol>	OCT /NOV 2011
<b>Ref Nr.</b>	<b>Expected Activity</b>		<b>Notes</b>	
EEI	Stakeholder Meeting		<p>This stakeholder’s event will be the first such large event<sup>22</sup> of its nature for Bank Training Institute. It will be designed to present a comprehensive view in to what has happened, what is currently underway and what is planned to occur. The event is scheduled to occur after two major milestones: acceptance of the implementation plan and carrying out of the study tour. On the invitees list will be Executive Level personnel from the Banks, in the case where these are not directly responsible for training – the persons responsible for training will be invited. Additionally persons from academia will be invited.</p>	

<sup>21</sup> Dependent upon agreement with counterpart and arrangement of visas.

<sup>22</sup> It is anticipated that they will be several sessions with groups of stakeholders prior to this event to gather consensus and accumulate thoughts, ideas and concepts. Meetings of this nature will occur throughout the process and are important in building in interests of all. These events will be less formal in nature, constructed as meetings potentially at the Iraq Financial Development compound or other locations.

**3.1.2.2 Stage Two: Institutional Development <sup>17</sup>**

Ref. Nr.	Required Action	Responsible Party	Expected Activities and Deliverables	Date
10	Meeting # 2 of the BTI-SC/Accreditation	CBI-BTI WGC BTI-SC/A Iraq Financial Development -BTI-TA	<ul style="list-style-type: none"> <li>•</li> <li>1. Presentation, review and acceptance of minutes from previous meeting</li> <li>2. Receive a <u>presentation on the process of accreditation</u> of a bankers training institute from the Iraq Financial Development -BTI-TA</li> <li>3. Appoint task force to commence drafting of report on accreditation process for presentation to BTI-SC</li> </ul>	OCT 2011
Ref Nr.	Expected Activity		Notes	
10.2	Presentation on the process of accreditation		This presentation is the second part of the presentation noted in 6.1	
10.3	Drafting of a report on accreditation		It is anticipated that each subcommittee will prepare a report for presentation to the steering committee. This report will provide detailed information and include a timeline of what needs to be done, when , where and how to achieve accreditation.	
Ref. Nr.	Required Action	Responsible Party	Expected Activities and Deliverables	Date
11	Meeting # 2 of the BTI-SC/Education	CBI-BTI WGC BTI-SC/E Iraq Financial Development -BTI-TA	<ul style="list-style-type: none"> <li>1. Presentation, review and acceptance of minutes from previous meeting</li> <li>2. Receive a <u>presentation on the elements of education</u> of a bankers training institute from the Iraq Financial Development -BTI-TA</li> <li>3. Appoint task force commence drafting of report on elements of education for presentation to BTI-SC</li> <li>4. <u>Initiate</u> the process of <u>developing the common body of knowledge</u> defining what an individual working in the minimum requirements for Iraqi banking sector should know</li> </ul>	OCT 2011
Ref Nr.	Expected Activity		Notes	

3.1.2.2 Stage Two: Institutional Development <sup>17</sup>				
Ref. Nr.	Required Action	Responsible Party	Expected Activities and Deliverables	Date
11.2	Presentation on the elements of workplace learning		This presentation is the second part of the presentation noted in 7.1	
Ref Nr.	Expected Activity		Notes	
11.4	Developing of the common body of knowledge (CBOK)		<p>For the Iraqi banking community to move forward in establishing itself as a profession it will be necessary to define a domain of essential information which must be mastered by the people working in it. This CBOK will be built on three competency pillars: 1. Regulatory and Legal 2. Technical 3. Soft skills. It is anticipated that the CBOK will provide details on which regulations and laws must be followed by Iraqi bankers, what technical competencies must be mastered by them, what the nature and type of soft skills one must have to operate successfully in the Iraqi banking environment.</p> <p>The CBOK will provide a platform for curriculum development in a logical and orderly fashion.</p>	
Ref. Nr.	Required Action	Responsible Party	Expected Activities and Deliverables	Date
12	Meeting # 2 of the BTI-SC/ Operations	CBI-BTI WGC BTI-SC/O Iraq Financial Development - BTI-TA	<ol style="list-style-type: none"> <li>1. Presentation, review and acceptance of minutes from previous meeting</li> <li>2. Receive a <u>presentation on the operational elements</u> of a bankers training institute from the Iraq Financial Development -BTI-TA</li> <li>3. <u>Appoint task force to commence drafting</u> of report on <u>operational elements</u> of a bankers training institute for presentation to BTI-SC</li> <li>4. <u>Start the budget planning</u> process for bankers training institute</li> </ol>	OCT 2011
Ref Nr.	Expected Activity		Notes	
12.2	Presentation on the operation elements of a bankers training institute		This presentation is the second part of the presentation noted in 8.1	

3.1.2.2 Stage Two: Institutional Development <sup>17</sup>				
Ref. Nr.	Required Action	Responsible Party	Expected Activities and Deliverables	Date
Ref Nr.	Expected Activity		Notes	
12.4	Start the budget planning		Budget planning will be done on a zero-base basis, from the ground up. A budget book will be prepared which will include instructions on preparation. The budgeting will be linked to the chart of accounts to be used by the institute. Additionally principles of activity based costing will be incorporated into this process, as a lead into management accounting.	
Ref. Nr.	Required Action	Responsible Party	Expected Activities and Deliverables	Date
13	Meeting # 3 of the BTI-SC/Accreditation	CBI-BTI WGC BTI-SC/A Iraq Financial Development -BTI-TA	<ol style="list-style-type: none"> <li>1. Presentation, review and acceptance of minutes from previous meeting</li> <li>2. Review and approval <u>draft of report on accreditation process for presentation to BTI-SC</u></li> <li>3. Receive a <u>presentation on the process of accreditation</u> of a bankers training institute from the Iraq Financial Development -BTI-TA</li> </ol>	OCT 2011
Ref Nr.	Expected Activity		Notes	
13.3	Presentation on the process of accreditation		At this presentation session more direct information about accreditation. Focus will be on the methods and approaches used by accreditation agencies such as Accrediting Council for Continuing Education and Training or the European Quality Improvement Systems.	

**3.1.2.2 Stage Two: Institutional Development <sup>17</sup>**

Ref. Nr.	Required Action	Responsible Party	Expected Activities and Deliverables	Date
14	Meeting # 3 of the BTI-SC/Education	CBI-BTI WGC BTI-SC/E Iraq Financial Development -BTI-TA	<ol style="list-style-type: none"> <li>1. Presentation, review and acceptance of minutes from previous meeting</li> <li>2. Review and approval of the drafting of report on elements of education for presentation to BTI-SC</li> <li>3. Review and approval <u>draft of the common body of knowledge</u> defining what an individual working in the Iraqi banking sector should know at a minimum requirement.</li> <li>4. <u>Evaluate use of enabling grants<sup>23</sup></u> for the <u>educational</u> development</li> <li>5. <u>Create occupational profiles</u> for the Iraqi banking sector</li> <li>6. Receive a presentation on the elements of competency certification programs from the Iraq Financial Development - BTI-TA</li> </ol>	OCT 2011
Ref Nr.	Expected Activity	Notes		
14.5	Create occupational profiles	The creation of occupational profiles is important in developing the correct course to achieve the results necessary to improve the banking system. The approach of the use of occupational profiles is applied by the UK. A standardized approach is available. It is envisioned that the number of occupational profiles needed, will be less than twelve.		

<sup>23</sup> Information on illustrative grant proposals can be found in Annex A. The information contained in the annex is concept and needs clarification. There are four illustrative grants relating to education. Three are for Infrastructure items / operations these are BTIG03, BTIG04, BTIG05 and one is related to training skills and development this is BTIG06.

3.1.2.2 Stage Two: Institutional Development <sup>17</sup>				
Ref. Nr.	Required Action	Responsible Party	Expected Activities and Deliverables	Date
14.6	Presentation on the elements of competency certification		This presentation will be focused directly on competency certifications. It will address Bloom’s Taxonomy of Learning domains, the application of psychometrically sound testing methods, and creation of value added learning programs. The objective of this session will be to create a solid foundation of understanding for the future development of the Center.	
Ref. Nr.	Required Action	Responsible Party	Expected Activities and Deliverables	Date
15	Meeting # 3 of the BTI-SC/ Operations	CBI-BTI WGC BTI-SC/O Iraq Financial Development -BTI-TA	<ol style="list-style-type: none"> <li>1. Presentation, review and acceptance of minutes from previous meeting</li> <li>2. Receive a <u>presentation on the operational elements</u> of a bankers training institute from the Iraq Financial Development -BTI-TA</li> <li>3. Review and approval of the <u>draft report on operational elements</u> of a bankers training institute for presentation to BTI-SC</li> <li>4. <u>Commence</u> work on an <u>multi-year operational budget</u> for bankers training institute</li> <li>5. Evaluate use of enabling grants for the infrastructure development</li> <li>6. <u>Commence</u> evaluation of <u>internal management processes and procedures</u> necessary for operations, this would include : Accounting, Employment, Income, Expenses, etc.</li> </ol>	OCT 2011
Ref Nr.	Expected Activity	Notes		
15.2	Presentation on the operation elements of a bankers training institute	This presentation will focus on the interior design and development of the institute. Matters to be addressed here will include development of learning facilities i.e. classrooms, lecture halls, executive round tables plus the support facilities for administration and faculty.		

3.1.2.2 Stage Two: Institutional Development <sup>17</sup>				
Ref. Nr.	Required Action	Responsible Party	Expected Activities and Deliverables	Date
15.4	Commence multi-year operational budget		The operational and infrastructure budgets will be addressed separately. The operational budget will address expenses such as direct costs: salaries, supplies, etc. And other direct costs.	
15.5	Evaluate the use of grants		Grants represent a potential to add necessary items including equipment and materials. The subcommittee will develop a list of possible uses in coordination with the Iraq Financial Development Project -BTI-TA. Items could include audio-visual items, office equipment and instructional facilities.	
Ref. Nr.	Required Action	Responsible Party	Expected Activities and Deliverables	Date
16	Meeting #5 of the BTI- Steering Committee	CBI-BTI SC Iraq Financial Development -BTI-TA	<ol style="list-style-type: none"> <li>1. Presentation, review and acceptance of minutes from previous meeting</li> <li>2. Receive a presentation of draft reports of sub-committees: : Accreditation (BTI-SC/A) ; Education (BTI-SC/E); Operations (BTI-SC/O)</li> <li>3. <u>Receive report on use of grants</u> in infrastructure and educational development</li> <li>4. Report on the results of actions to <u>validate Law # 36, 1999</u> “The Center for Banking Studies”</li> <li>5. Receive presentation on the results of study tour</li> <li>6. Set date and plan for status update meeting number 2 with the stakeholder community</li> </ol>	OCT / NOV 2011
Ref Nr.	Expected Activity	Notes		
16.2	Presentation of draft reports of sub-committees	The presentation of the subcommittees draft reports should be done by the chairperson of the subcommittee. Each of the reports should include specific actionable items along with a time line.		

**3.1.2.2 Stage Two: Institutional Development <sup>17</sup>**

Ref. Nr.	Required Action	Responsible Party	Expected Activities and Deliverables	Date
16.3	Validate of Law # 36 , 1999		Validation of Law #36, 1999 is critically important to the funding as well as operational aspects of the Center.	
Ref. Nr.	Required Action	Responsible Party	Expected Activities and Deliverables	Date
17	Meeting # 4 of the BTI-SC/Accreditation	CBI-BTI WGC BTI-SC/A Iraq Financial Development -BTI-TA	<ol style="list-style-type: none"> <li>1. Presentation, review and acceptance of minutes from previous meeting</li> <li>2. <u>Initiate contact with accrediting organizations</u> in coordination with the General Manager of the International Conventions Department of the CBI</li> </ol>	NOV 2011
Ref Nr.	Expected Activity	Notes		
17.1	<ul style="list-style-type: none"> <li>• Initiate contact with accrediting organizations</li> </ul>	Initiation of contact with accrediting organizations is one of the most important steps in the creation of the Institute , it must be done at the proper levels to maintain protocol and it must also be done at a time in the development cycle that presents the a good case for the Institute. It is recommended that the ACCET – Accrediting Council for Continuing Education and Training be on the shortlist of agencies to contact.		
Ref. Nr.	Required Action	Responsible Party	Expected Activities and Deliverables	Date

**3.1.2.2 Stage Two: Institutional Development <sup>17</sup>**

Ref. Nr.	Required Action	Responsible Party	Expected Activities and Deliverables	Date
18	Meeting # 4 of the BTI-SC/Education	CBI-BTI WGC Iraq Financial Development -BTI-TA	<ol style="list-style-type: none"> <li>1. Presentation, review and acceptance of minutes from previous meeting</li> <li>2. Commence <u>drafting of core curriculum</u> for the Bank Training Institute for presentation to BTI-SC</li> <li>3. An initial analysis of the financial sector personnel based upon the occupational profiles of the Iraqi banking sector.</li> <li>4. Receive a presentation on the elements of seminar / course design from the Iraq Financial Development -BTI-TA</li> </ol>	NOV 2011
Ref Nr.	Expected Activity		Notes	
18.2	Drafting of core curriculum		Formal drafting of the core curriculum will be based upon inputs provided by the Iraq Financial Development -STTA assigned to this task. To insure that there is ownership by the Steering committee, the Educational Subcommittee will be directly involved in this process.	
18.3	Analysis of the financial sector personnel to occupational profiles		With an objective of insuring that the investments made in training efforts matching those required, a comparison will be made to the occupational profiles of the sector. The approach is similar to that of the IFS-School of Finance.	
18.4	A presentation on the elements of seminar / course design		Critical on the pathway towards intellectual self-sustainability will be an understanding and use of internationally recognized seminar/course design principles. At this session the Iraq Financial Development -TA will present The International Board of Standards for Training, Performance and Instruction for consideration and use by the Center.	
Ref. Nr.	Required Action	Responsible Party	Expected Activities and Deliverables	Date

**3.1.2.2 Stage Two: Institutional Development <sup>17</sup>**

Ref. Nr.	Required Action	Responsible Party	Expected Activities and Deliverables	Date
19	Meeting # 4 of the BTI-SC/ Operations	CBI-BTI WGC BTI-SC/O Iraq Financial Development -BTI-TA	<ol style="list-style-type: none"> <li>1. Presentation, review and acceptance of minutes from previous meeting</li> <li>2. Prepare a proposed charter and by-laws for the Center for Banking Studies Management Board for presentation to the BTI-SC</li> <li>3. <u>Complete</u> work on the <u>multi-year operational budget</u> for bankers training institute</li> <li>4. <u>Identify proposed sites</u> for the Center for Banking Studies, primary and secondary locations</li> <li>5. Evaluate and commence preparation of a report on the infrastructure requirements of the Center</li> <li>6. Commence work on a proposed capital investment budget</li> </ol>	NOV 2011
Ref Nr.	Expected Activity	Notes		
19.3 19.6	Complete multi-year operational budget Commence capital investment budget	Two budgets will be prepared – one for capital, as this requires significant startup costs associated the building, equipment, etc. The operational budget will project out over several years and will take into account both the need to upgrade the skills of a significant number of persons plus the expansion of business activities and new branches		
19.4	Identify proposed sites	Demographic considerations should be taken into account when determining sites. In addition to the primary sites under consideration – Baghdad. Erbil and Bashra consideration should be given to making arrangements with potential regional suppliers in more remote locations. The concept of “Tutors” as applied by the IFS-School of Finance should be applied.		
Ref. Nr.	Required Action	Responsible Party	Expected Activities and Deliverables	Date

3.1.2.2 Stage Two: Institutional Development <sup>17</sup>				
Ref. Nr.	Required Action	Responsible Party	Expected Activities and Deliverables	Date
20	Meeting # 5 of the BTI-SC/Accreditation	CBI-BTI WGC BTI-SC/A Iraq Financial Development -BTI-TA	<ol style="list-style-type: none"> <li>1. Presentation, review and acceptance of minutes from previous meeting</li> <li>2. Commence drafting of <u>standards of instruction</u> aligned with internationally accepted standards</li> <li>3. Commence preparation of a <u>comprehensive report on the accreditation</u> elements of the Center.</li> </ol>	NOV 2011
Ref Nr.	Expected Activity		Notes	
20.3	Comprehensive report on the accreditation		This report can use the ACCET “Analytic Self-Evaluation Report” as a template. This self-evaluation report addresses most of the elements which an assessment team would look into. It provides a “to-do” check list of actionable items.	
Ref. Nr.	Required Action	Responsible Party	Expected Activities and Deliverables	Date
21	Meeting # 5 of the BTI-SC/Education	CBI-BTI WGC Iraq Financial Development -BTI-TA	<ol style="list-style-type: none"> <li>1. Presentation, review and acceptance of minutes from previous meeting</li> <li>2. Create proposed standards for selection criteria for instructors</li> <li>3. Commence preparation of a comprehensive report on the education elements of the Center.</li> </ol>	NOV 2011
Ref Nr.	Expected Activity		Notes	
21.1	Create standards for selection criteria for instructors		As is the case with all standards, the section criteria for instructors are a very important part of the process. During this stage an evaluation will be made along with developing an application process for instructors.	
Ref. Nr.	Required Action	Responsible Party	Expected Activities and Deliverables	Date

3.1.2.2 Stage Two: Institutional Development <sup>17</sup>				
Ref. Nr.	Required Action	Responsible Party	Expected Activities and Deliverables	Date
22	Meeting # 5 of the BTI-SC/ Operations	CBI-BTI WGC BTI-SC/O Iraq Financial Development -BTI-TA	<ol style="list-style-type: none"> <li>1. Presentation, review and acceptance of minutes from previous meeting</li> <li>2. <u>Finalize a consolidated multi-year budget</u>: comprehensive operational and capital investment budget.</li> <li>3. Finalize a comprehensive report on the infrastructure requirements of the Center.</li> </ol>	NOV 2011
Ref Nr.	Expected Activity	Notes		
22.2	Finalize a consolidated multi-year budget	The process of developing reports will be standardized; each report will go through a development stage and will then be finalized formally by the committee.		
22.3	Finalize a comprehensive report			
Ref.Nr.	Required Action	Responsible Party	Expected Activities and Deliverables	Date
23	Meeting # 6 of the BTI-SC/Accreditation	CBI-BTI WGC BTI-SC/O Iraq Financial Development -BTI-TA	<ol style="list-style-type: none"> <li>1. Presentation, review and acceptance of minutes from previous meeting</li> <li>2. <u>Complete standards of instruction</u> based upon internationally accepted standards</li> <li>3. Finalize a comprehensive report on the accreditation elements of the Center.</li> </ol>	DEC 2011
Ref. Nr.	Required Action	Responsible Party	Expected Activities and Deliverables	Date

**3.1.2.2 Stage Two: Institutional Development <sup>17</sup>**

Ref. Nr.	Required Action	Responsible Party	Expected Activities and Deliverables	Date
24	Meeting # 6 of the BTI-SC/Education	CBI-BTI WGC Iraq Financial Development -BTI-TA	<ol style="list-style-type: none"> <li>1. Presentation, review and acceptance of minutes from previous meeting</li> <li>2. Receive a presentation on the certification programs from the Iraq Financial Development -BTI-TA</li> <li>3. Finalize a comprehensive report on the education elements of the Center.</li> </ol>	DEC 2011
Ref Nr.	Expected Activity	Notes		
24.2	a presentation on the certification programs	Certification programs are more complex than basic training course. There are multiple elements which need to be addressed to insure that that certificates that are given validate competency consistently and with accuracy. The presentation will provide detailed information about high stakes assessment exam and design.		
Ref.Nr.	Required Action	Responsible Party	Expected Activities and Deliverables	Date
26	Meeting #6 of the BTI- Steering Committee	CBI-BTI SC BTI-SC/O Iraq Financial Development -BTI-TA	<ol style="list-style-type: none"> <li>1. Presentation, review and acceptance of minutes from previous meeting</li> <li>2. Receive a presentation of final reports of sub-committees: Accreditation (BTI-SC/A) ; Education (BTI-SC/E); Operations (BTI-SC/O)</li> <li>3. Formal <u>Acceptance on use of grants</u> in infrastructure and educational development</li> <li>4. <u>Commence preparation of nomination documents</u> for members of the Management Board<sup>24</sup> and the Director of the Center and the Deputy Director of the Center for Banking Studies.</li> </ol>	DEC 2011

<sup>24</sup> Law 36, 1999 Article 4 requires that “the Governing Council of the CBI approve the Director of the Center and the Deputy based upon a proposal of the Central Bank Governor or his advisors or general manager of the Bank”

3.1.2.2 Stage Two: Institutional Development <sup>17</sup>				
Ref. Nr.	Required Action	Responsible Party	Expected Activities and Deliverables	Date
			5. Set date and plan of activity launch meeting with stakeholder community 6. <u>Finalization on use of grants</u> in infrastructure and educational development	
Ref Nr.	Expected Activity		Notes	
26.4	Commence preparation of nomination documents		The members of the Management Board and the Director of the Center and the Deputy Director need to be approved. Packages of information for presentation need to be created and entered into the record officially.	
<b>EE-2</b>	<b>Stakeholders meeting</b>	CBI-BTI SC Iraq Financial Development -BTI-TA BTI-SC/A BTI-SC/E BTI-SC/O	1. Presentations to be made by Steering Committee and individual committees : Accreditation (BTI-SC/A) ; Education (BTI-SC/E); Operations (BTI-SC/O)	<b>DEC 2011</b>
Ref Nr.	Expected Activity		Notes	
EE-2	Presentations to be made by Steering Committee and individual committees		This will be the second in a series of event with stakeholders. At this presentation each of the Subcommittees will present their status reports and the Steering committee will summarize. Next steps towards will be presented.	
Ref. Nr.	Required Action	Responsible Party	Expected Activities and Deliverables	Date

3.1.2.2 Stage Two: Institutional Development <sup>17</sup>				
Ref. Nr.	Required Action	Responsible Party	Expected Activities and Deliverables	Date
27	Meeting # 7 of the BTI-SC/Accreditation	CBI-BTI WGC BTI-SC/O Iraq Financial Development -BTI-TA	<ol style="list-style-type: none"> <li>1. Presentation, review and acceptance of minutes from previous meeting</li> <li>2. Amend comprehensive report on the accreditation elements of the Center based on Steering Committee comments</li> <li>3. Prepare for dissolving the sub-committee</li> </ol>	DEC 2011
Ref Nr.	Expected Activity		Notes	
27.3	Prepare for dissolving the sub-committee		Each of the subcommittee must insure that all documentation is in order and ready for archiving.	
Ref. Nr.	Required Action	Responsible Party	Expected Activities and Deliverables	Date
28	Meeting # 7 of the BTI-SC/Education	CBI-BTI WGC Iraq Financial Development -BTI-TA	<ol style="list-style-type: none"> <li>1. Presentation, review and acceptance of minutes from previous meeting</li> <li>2. Amend comprehensive report on the education elements of the Center based on Steering Committee comments</li> <li>3. Prepare for dissolving the sub-committee</li> </ol>	DEC 2011
Ref. Nr.	Required Action	Responsible Party	Expected Activities and Deliverables	Date
29	Meeting # 6 of the BTI-SC/ Operations	CBI-BTI WGC BTI-SC/O Iraq Financial Development -BTI-TA	<ol style="list-style-type: none"> <li>1. Presentation, review and acceptance of minutes from previous meeting</li> <li>2. Amend comprehensive report on the infrastructure requirements of the Center based on Steering Committee comments</li> <li>3. Prepare for dissolving the sub-committee</li> </ol>	DEC 2011
Ref. Nr.	Required Action	Responsible Party	Expected Activities and Deliverables	Date

3.1.2.2 Stage Two: Institutional Development <sup>17</sup>				
Ref. Nr.	Required Action	Responsible Party	Expected Activities and Deliverables	Date
30	Meeting #7 of the BTI- Steering Committee	CBI-BTI SC Iraq Financial Development -BTI-TA	<ol style="list-style-type: none"> <li>1. Presentation, review and acceptance of minutes from previous meeting</li> <li>2. Accept <u>final reports of sub-committees</u>: Accreditation (BTI-SC/A) ; Education (BTI-SC/E); Operations (BTI-SC/O)</li> <li>3. Dissolve subcommittees</li> <li>4. Select and <u>submit nominations</u> for members of the Management Board, the Director of the Center and the Deputy Director of the Center for Banking Studies and presentation to CBI-Governor</li> <li>5. Review sub-committees dissolution plans and initiate closure of sub-committees</li> <li>6. <u>Plan handover</u> to the Management Board</li> <li>7. <u>Prepare final report</u> of the BTI-Steering Committee</li> </ol>	DEC 2011
Ref Nr.	Expected Activity		Notes	
30.6 30.7	Plan handover		The BTI-Steering committee must pass over all works completed during its tenure to the Management Board. These documents will form part of the permanent records of the institute and could potentially be subject to examination during an accreditation process.	
OA I	Official Act	Central Bank of Iraq – Governor	<ol style="list-style-type: none"> <li>1. Acceptance of CBI-BTI-SC nominations for members of the Management Board and approval</li> <li>2. Acceptance of nominations for the positions of Director of the Center and a Deputy for submission to the Governing Council</li> </ol>	DEC 2011 / JAN 2012

<b>3.1.2.2 Stage Two: Institutional Development <sup>17</sup></b>				
<b>Ref. Nr.</b>	<b>Required Action</b>	<b>Responsible Party</b>	<b>Expected Activities and Deliverables</b>	<b>Date</b>
<b>OA 2</b>	Official Act	Central Bank of Iraq – Governing Council	1. Selection and approval of persons for the positions of Director of the Center and a Deputy for submission to the Governing Council	DEC 2011 / JAN 2012
<b>Ref Nr.</b>	<b>Expected Activity</b>		<b>Notes</b>	
OA 1 OA 2	Official Act		Each of these official acts is detailed in the law. These must be formally approached and formally recorded through publication in the Official Gazette	

3.1.2.3 Stage Three : Institution Launch <sup>25</sup>				
Ref Nr.	Expected Activity			Notes
30	Meeting #8 of the BTI- Steering Committee and the Management Board of the Center for Banking Studies	CBI-BTI SC CBS-MB Iraq Financial Development -BTI-TA <sup>26</sup>	1. Presentation, review and acceptance of minutes from previous meeting 2. <u>Meeting with new members</u> of the Management Board, the Director of the Center and the Deputy Director of the Center of the Center for Banking Studies 3. <u>Hand over presentation</u> of the BTI-Steering Committee to the Management Board the Director of the Center and the Deputy Director 4. Submission of final report 5. Dissolution of the Steering Committee	JAN 2012
30.3	Hand over presentation			The event is a transitional event. The Steering Committee will be dissolved; the Management Committee will take over. The objective of the meeting is to officially pass over all information. A number of the tasks of the Management Board are in the Law 36, 1999.

<sup>25</sup> The Institution Launch Stage is the second transitional phase in creation of the Center for Banking Studies. It is a period where the Management Board is reviewing and making decisions using the work of the Steering Committee and its subcommittees. It is the shortest of the stages of development, defined basically by the modifications and ratification of prior works.

<sup>26</sup> At this point the direct involvement of the Iraq Financial Development Project – Bankers Training Institute – Technical Assistance will be reduced. It is expected that the Management Board supported by the management team of the Center for Banking Studies will take the lead. Iraq Financial Development Project – Bankers Training Institute – Technical Assistance will continue to support in an advisory manner.

Ref. Nr.	Required Action	Responsible Party	Expected Activities and Deliverables	Date
31	Meeting # 1 of the Management Board of the Center for Banking Studies	CBS-MB	<ol style="list-style-type: none"> <li>1. Convening of the meeting by the MB President ( the Governor of the Central Bank of Iraq)</li> <li>2. Election of the Vice-President of the MB</li> <li>3. <u>Appointment of subcommittee</u> members: Education (MB/E); Operations (MB/O); and Audit (MB/A).</li> <li>4. <u>Acceptance of Annual Plan</u> of Work for first year of operation</li> </ol>	JAN 2012
Ref. Nr.	Required Action	Responsible Party	Expected Activities and Deliverables	Date
32	Meeting # 2 of the Management Board of the Center for Banking Studies	CBS-MB Iraq Financial Development -BTI-TA	<ol style="list-style-type: none"> <li>1. Presentation, review and acceptance of minutes from previous meeting</li> <li>2. <u>Review of final report</u> of the BTI-Steering Committee</li> </ol>	JAN 2012
Ref Nr.	Expected Activity		Notes	
32.2	Review of final report of the BTI-Steering Committee		The final report of the BTI steering committee will contain all of the information gathered during the various researches and examinations that it and the Subcommittees have gathers. This report will be the action plan for establishment of the BTI.	
Ref. Nr.	Required Action	Responsible Party	Expected Activities and Deliverables	Date
33	Meeting # 1 CBS-MB Subcommittee / Education	CBS-MB SC/ E Iraq Financial Development -BTI-TA	<ol style="list-style-type: none"> <li>1. Presentation, review and acceptance of minutes from previous meeting</li> <li>2. <u>Review the detailed in final report</u> of the BTI-Steering Committee / Education, <u>prepare resolutions to be adopted</u> by the Management Board</li> </ol>	JAN 2012

Ref Nr.	Expected Activity		Notes	
33.2	<ul style="list-style-type: none"> <li>Prepare resolutions to be adopted</li> </ul>		To be valid and binding resolutions need to be adopted. It is anticipated the final report of the SC will be organized in a manner so that the Management Board will be able to rapidly act. Because of the volume of work and the need to build the subcommittee each subcommittee will act on its area of expertise.	
Ref. Nr.	Required Action	Responsible Party	Expected Activities and Deliverables	Date
34	Meeting # 1 CBS-MB Subcommittee / Operations	CBS-MB SC/O	<ol style="list-style-type: none"> <li>Presentation, review and acceptance of minutes from previous meeting</li> <li><u>Review and taking actions detailed in final report</u> of the BTI-Steering Committee / Operations, prepare resolutions to be adopted by the Management Board</li> </ol>	JAN 2012
35	Meeting # 3 of the Management Board of the Center for Banking Studies	CBS-MB	<ol style="list-style-type: none"> <li>Presentation, review and acceptance of minutes from previous meeting</li> <li>Review academic / educations related resolutions proposed actions and resolve actions</li> <li>Review operations related resolutions proposed actions and resolve actions</li> </ol>	FEB 2012
Ref Nr.	Expected Activity		Notes	
35.2 35.3	Review education related resolutions Review operations related resolutions		The Management Board will have two “active” subcommittees, the Academic and the Operations committees, these committees will meet regularly. The Audit Committee will meet less often. The Management Board will determine the exact schedule and this will be incorporated into the by-laws. It is proposed that the Academic and Operations Committees meet every two months and that the Audit Committee meet quarterly.	

3.1.2.4 Stage Four : Institutionalization				
Ref. Nr.	Required Action	Responsible Party	Expected Activities and Deliverables	Date
36	Regular meetings of the Management Board of the Center for Banking Studies Initial	CBS-MB	In accordance with Article 4 of the Law Nr. 36, 1999. “ The Center’s Management Board meets at the invitation of the President at least <u>once every month</u> ”	START IN MARCH 2012 and carry forwards
Ref Nr.	Expected Activity		Notes	
36	Regular meetings of the Management Board of the Center for Banking Studies		It is anticipated that the Management Board will appoint tasks and set a calendar for the subcommittees.	

Upon taking up its regular work the Management Board will be addressing a number of important issues. It is planned for example that efforts towards obtaining accreditation will be a central focus. This goal will add discipline to all processes. In recognition of this, there is a proposed grant **BTIG02**<sup>27</sup>. With this investment, it is anticipated that the Center for Banking Studies will build close relationships with an accreditation institute.

<sup>27</sup> Grants appear below in Annex B

## 4.0 FINANCIAL ANALYSIS AND BUDGET

### 4.1.1 Financial Analysis Background

Funding for the Center for Banking Studies is defined in Law 36 of 1999, Article 3.

“Contribute to the expenses of the fund for support of the Center:

I. the Central Bank of Iraq 40 percent (40%)

II. The banks 60 percent (60%), from selected banks. Contribution rates will be made public by directives issued in coordination with the Minister of Finance.”

The following assumptions are made:

1. The Center for Banking Studies is a nonprofit enterprise.
2. Validation of Law 36, and agreement of funding via assessment of direct payroll<sup>28</sup>
3. Collection of the assessment of direct payroll is to occur quarterly, in advance. Compliance to assessment will be 100%. Two quarters of assessments will be collected to defray initial capital expenditures, after which time assessments will be used to fund operational expense plus maintenance, collection will commence upon appointment of the Director of the Center
4. Employment<sup>C</sup> levels at those projected in the Foundational White Paper – Iraqi Bank Training Institute and growing at a rate of 5% per annum.
5. Establishment of a regulation<sup>29</sup> requiring a minimum level of training<sup>D</sup> for all bank employees
6. An assumption of 5% inflation rate per annum on all expenses and revenues

Payroll assessment as a funding vehicle establishes a direct relationship between the bank staff and training expenses. By paying an assessment the banks are essentially prepaying for training services to a certain extent. The probability of these services being used will increase significantly in this case. Although provided for in the Law 36, alternative methods such as paying on a per course basis only or funding an annual budget would not result in establishment of such a close bond between the banks and the bankers training institute.

In addition to the revenues collected from payroll assessment, fees for instruction and sales of publication there is a possibility that outside donors will contribute. These will be in-kind goods and services in response to solicitations made by the Center, there will be no cash contributions. Support could be in the form of grants cover initial startup investments or providing lecturers or donation of instructional materials. These

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<sup>28</sup> A number of the countries in the region use a program where an assessment is made on direct payroll. Bahrain is one, where a mandatory assessment equal to 1% of the base payroll costs of all financial institutions licensed by the Central Bank of Bahrain is collected. Notwithstanding this assessment, fees are charged for courses. Participants from organizations paying assessments are granted a 20% discount. Please see pages 27, 28, 29 of the Foundational White Paper – Iraqi Bankers Training Institute authored by the Iraq Financial Development Project for more details.

<sup>29</sup> With an objective of raising the overall competency and professionalism of the financial sector, a regulation could be issued by the CBI indicating that a certain number of hours are required each year for specific types of employees. Practices such as this are common place in with recognized professional certifications such as those issued by the Association of Certified Chartered Accountants, the American Bar Association, etc. In addition many major corporations set a standard amount of training for each employee per year. Examples include Deutsche Bank, Citibank, Standard Chart, etc.

contributions would be accounted for in the financial statements in accordance with the applicable International Financial Reporting Standards.

Potential donors could include the International Finance Corporation, USAID<sup>30</sup> or large international banks.

### **Business Risk Scenario Evaluation**

There are three controllable key elements of the implementation plan for sustainable development of the Center for Banking Studies (the Bank Training Institute): 1. Law 36, FY1999 Center for Banking Studies. 2. Assessments (levies) imposed on the banks to support the Center. 3. Requirement for participation in the offerings of the Center. Each of these elements can be controlled; each of these elements has been addressed below. A prime contribution to the success of the Center for Banking Studies will be its approach to quality and focus on the real time information needs of bankers.

As identified in the Foundational White Paper for the Iraqi Bankers Training Institute in the section providing highlights of bank visits, competition for the Center for Banking Studies can be found in other local providers. Local providers are the offerings by a couple of banks internal training departments. These offerings are in the form of seminars and workshops, none of which are either structured or organized in a manner recognized by international standards. Also absent from the approaches taken by in local training providers is a structured path towards overall growth in knowledge or abilities. They fail to link training to human resources development needs.

Additionally, only a few of the Universities offer degrees in banking these are under revision in response to the changes in the banking system. This curriculum reform will take substantial time for completion and implementation. In the interim, current bank employees as well as recent graduates would be looking to the Center for Banking studies to fill this knowledge gap.

There are multiple other variables which will impact the Center for Banking Studies. These include the availability of instructors, the level of interest and involvement of the banking community and attendees, overall security, other competitors, relevance of materials, etc. Each of these variables is one which would be monitored and responded to by the management of the Center, they are normal business risks.

The evaluation below looks at four possible scenarios. In addition, each is examined from a probability view point along with a risk management strategy:

1. **Worst Case**

This is where two of the three elements do not occur; assessment and required attendance.

2. **Middle Case, Version 1 and 2**

There are two versions reflecting where either of the two elements; assessment and required attendance exists at some level of effect.

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<sup>30</sup> A full listing of proposed grants for USAID consideration appears in Annex B below.

3. **Best Case**

This is where both elements assessments and required attendance is working as planned and in coordination with the Law 36.

4. **Alternate Case**

This is where the Law 36 is not enforced. It is considered an alternate scenario because the law presently exists, essentially it would have to be cancelled.

Scenario Type	Scenario	Comments	Analysis	Financial Impact
Worst Case	No Assessment of Direct Payrolls	Introduction of a regulation for the assessment of Direct Payroll is an assumption. It is possible that this will not occur. It may not occur because the concept is foreign to Iraq.	The reason for establishment of an assessment is to insure a buy-in from the bankers is achieved. With an upfront investment made in the BTI, there should be a higher level of interest in making use of it a making it a success.	No Financial Impact
	No Requirement for Participation	Establishment of minimum of trainings is also a foreign concept to Iraq. Setting requirement for continuing professional education and establishing of a profession per se may be a concept which is too advanced.	The reason for establishment of minimum levels of training is to establish a pathway to upgrade the overall knowledge base of bankers. Without this factor, the banks may elect not to take courses at the Center or not take training in general.	Enforcement of Law 36, FY1999 Center for Bank Studies will the reduce stress on finances <sup>31</sup> that the absence of an assessment will have.  Financially - funding will still be present. The timing and structure will be different however.

<sup>31</sup> **Article 3**

Contribute to the expenses of the fund for support of the Center:

- I. the Central Bank of Iraq 40 percent (40%)
- II. The banks 60 percent (60%), from selected banks. Contribution rates will be made public by directives issued in coordination with the Minister of Finance.

Scenario Type	Scenario	Comments	Analysis	Financial Impact
<b>Middle Case</b>	No Assessment of Direct Payrolls	Same as above.	Same as above.	Same as above
	Requirement for Participation –limited participation	Establishment of minimum requirements for training may viewed as adding to the supervision aspects of banks.	Depending upon the way in which requirements are structured and the offerings of the Center, attendance levels may vary.	
	Assessment of Direct Payrolls – Limited compliance	Depending on the way the regulation is structured the levels of collection compliance may vary.	Assessment levels would be a positive contribution to active involvement in the Center. The Banks would have an investment	Same as above, with the exception that funding be structured differently <sup>32</sup> . One revenue stream from the assessment, the other from the budget sharing.
	No Requirement for Participation – Limited participation	The absence of requirements for participation may introduce elements of competition into the process and may result in the overall mission of the Center to raise the level of the Iraqi bankers being diluted.	Levels of participation will be determined by price, availability and content of courses. The Center will become one of several competitors, with one competitive advantage coming from the assessment.	

<sup>32</sup> Implementation Guidelines will be necessary for funding. It must be established, when and how payment demands will be placed on the banks. Will this be in advance? What will the foundations be – an audited and approved annual budget of the Center? In the case of implementation of an assessment, what mechanism will be in place to insure balance and transparency is present. For example: Assessments can be made based upon audited financial results from previous years, payable in current years. At the end of the current year of the Center, reconciliation can be made to insure that the Center is fully funded, but still a non-profit center.

Scenario Type	Scenario	Comments	Analysis	Financial Impact
<p><b>Best Case</b></p>	<p>Assessment of Direct Payrolls</p>	<p>Full compliance to the assessment and collection, on a timely and orderly basis.</p>	<p>Fully compliance would mean collection of all assessments billed on a timely basis. Sufficient funding would be on hand for development.</p>	<p>A structured, predictable financial situation would exist. This would enable the Center to plan forward on development and expansion.</p>
	<p>Requirement for Participation</p>	<p>Full compliance to the requirements on a timely and orderly basis.</p>	<p>Full compliance would create volumes of attendees which would have an impact upon the market.</p>	
<p><b>Alternate Case</b></p>	<p>Law 36, FY 1999 “Center for Bank Studies is not enforced</p>	<p>There potential that the law will not be enforced. The absence of enforcement to date a result of the absence of a bankers training institute.</p>	<p>Not enforcing the Law would essentially place the BTI concept into the free market. The need for its services would be fully dependent upon competition. The quality, content and credibility of the organization would be subjected to all of the influences and demands present in Iraq.</p>	<p>Although stable funding sources would not be present the Center could still be in business.</p> <p>A higher level of focus would need to be placed by the Center on marketing of its services and costs control to remain competitive. Should the Center not be able to recover its costs, potential alternative funding sources would have to be located – international donors or the CBI or as a Budget Line item in one of the Ministries.</p>

Probability of Occurrence of Business Risk Scenario

Scenario Type	Scenario	Probability of Occurrence	Analysis	Risk Management Strategy
Worst Case	No Assessment of Direct Payrolls	50%	<p>Because of the foreign nature of these actions, gaining understanding and use of them will be a challenge.</p> <p>It is incumbent on the CBI to create and enforce these regulations.</p>	<p>Building of awareness and understanding of the assessment and the requirements is incorporated into the implementation plan. The CBI must be educated on the importance of their existence and the Stakeholders must be aware of the goal for their use.</p>
	No Requirement for Participation			
Middle Case	No Assessment of Direct Payrolls	15%	<p>Issuance of an assessment regulation may be a more difficult concept to convey than requirements for education. The level of attendance may be low.</p>	<p>As the regulation is developed, it efforts will be made to structure it so there is an incentive for compliance and a mechanism for monitoring.</p>
	Requirement for Participation – limited attendance			
Middle Case	Assessment of Direct Payrolls	10%	<p>The enabling regulation for direct payroll assessment may pass if positioned properly. The requirements</p>	<p>Levels of attendance would be influenced by the quantity, quality, price and nature of courses offered. Each of these elements can be managed. An element of limited competition<sup>33</sup> would be introduced to the activities of the Center.</p>
	No Requirement for Participation			

<sup>33</sup> Limited competition because the CBS would be receiving funds through the assessment and via Art. 3 of the law. The need for students as a revenue stream would be buffered by these factors.

Scenario Type	Scenario	Probability of Occurrence	Analysis	Risk Management Strategy
<b>Best Case</b>	Assessment of Direct Payrolls – full compliance  Requirement for Participation-full compliance	<b>10%</b>	Full compliance to both elements presents a challenge	The initial structuring and the subsequent monitoring of both elements is a critical part of the Implementation Plan. Building understanding and obtaining buy in are important to achieving high rates of compliance.
<b>Alternate Case</b>	Law 36, FY 1999 “Center for Bank Studies is not enforced	<b>15%</b>	Compliance to rules and regulations is generally perceived not one of the better points of the Iraqi banking system. Based on this there potential that this law may be ignored.	This would open up the process to full competition. The mission of the Center as a directed element for specific changes in the banking sector would no longer exist. Competitive forces would take over to determine the role and impact the Center would have in development of the overall Iraq financial sector.

### Conclusion of Business Scenario Evaluation

The above scenario evaluation indicated that the decision to move forward on with a bank training institute would have a reasonably good chance of financial success if the Law 36, FY 1999 were enforced. The optional elements of levying an assessment on the banks and the requirement of a minimum level of training are value adding elements, but not absolutely necessary. The elements add value in the probability of use of the Center and the impact which it could have on the overall knowledge base of the banking sector.

The evaluation also indicated that in the absence of law 36 may only change the focus of the Center into a more competitive, commercial venture if a decision to open it were made. There is a probability that it could

be a financial success if managed properly. The Center would be impacted and influenced by competition increasing the higher probability of earning income from activities less forward looking. This would reduce the probability that the Center become the catalyst to raise the Iraqi banking sector knowledge, skills and capabilities.

### 4.3 Startup Budget Planning Considerations

To achieve the critical mass required to serve its students, mobilization of the Center for Banking Studies will require initial investments in both intellectual property and infrastructure items. Funding for these items may be either from resources internal to the Iraqi financial community or they may found from various donors. A number of the items presented can be vetted for potential against the list of illustrative grants found in Annex B.

Development of operation budgeting is inseparably dependent upon knowledge and sensitivities of the local Iraqi environment. It is highly depending on recognizing, understanding and employing costs and pricing to build a sustainable enterprise. With its foundation, the Iraqi financial community will be migrating away from a culture of donor supported event-to-event trainings to one where, as in the case with other international bank training institutes, a financial self-sustaining entity exists.

#### Planning Considerations for Intellectual Property Items

1 Acquisition and translation of Core Curriculum Materials		
Fifteen Courses at \$10,000 per course for materials		\$150,000
Fifteen Courses – translation per course 250 pages at \$50 per pages		\$187,500
	Core Curriculum Materials	\$337,500
II International Training for Selected Instructors		
Ten Courses at \$7,500 per course, inclusive of travel and course fees		\$75,000
	<b>Total intellectual property start up budget</b>	<b>\$412,500</b>

#### Planning Considerations for Facilities Expense Budget

Two options are available for the way the Center will obtain its premises. In each case however the Center as an independent, self-sustaining entity will have building expenses. These expenses may result from acquisition of a facility, rental or as internal cross charges from the CBI for use of its premises.

The first option would have it co-located within a larger Central Bank location. The second would be as a stand-alone location. Each of these options presents advantages and disadvantages.

Among the advantages of co-locating premises are sharing of common resources such as security, power and other facilities. Disadvantages to co-locating would include access to the premises during extended hours –

evenings and weekends should teaching occur. In addition the appearance of control and influence by the Central Bank may impact the Center’s ability to function.

The stand-alone option presents the challenges of and benefits of managing a facility. All matters such as IT, power, security, repairs and maintenance must be taken care of independently. The advantages which a stand-alone facility brings with it are independence and control over operations.

Primary operating locations of the Center for Banking Studies facilities have been predetermined to be in Baghdad, B Basrah and Erbil. It is anticipated that the level of efforts of the Center will be 45% to Baghdad, 30% to Basrah and 25% to Erbil. Additionally in respect of the objective of providing service to all areas of Iraq, it is anticipated that all locations will be up and running by the close of 2012. Baghdad will open its doors as soon as the Management Board has completed all internal operating formalities; this is expected during February / March 2012. Basrah and Erbil should be able to commence activates as soon as reasonably practical thereafter.

One of the cornerstones upon which the Center for Banking Studies, the Iraqi bank training institute will be built is that in addition to being an intellectually self-sustaining organization, it will be a financially self-sustaining one. Everything that is to be included in the budget, revenues and expenses must be considered and justified by the working group responsible for creating the budget.

Using a zero-base budgeting approach from the inception will contribute to giving the Iraqi Bank Training the decision disciplines which will allow it to be a financially self-sustaining. Zero-based Budgeting is an approach to budgeting that starts from the premise that no costs or revenues should be factored into plans without due consideration and justifications. It requires that the organization’s objectives are determined and clearly stated and alternative ways are explored and assessed. This analysis is extended to considering the benefits of the alternatives, how to measure performance and the consequences of not performing the activities. The focus is on value for money (expense) and money for value (revenue). It is an adaptive proactive approach to changing circumstances that only will only be found downstream as the Iraqi Bank Training Institute finds its place within the Iraqi banking and business environment.

Specific financial technical analyses which will be part of all deliberations associated with creating the operational budget include:

Concept	Discussion
Make or Buy?	Each major expenditure element of the operations, facilities, support services and training course of the Institute should be subjected to answering this question. Consideration should be given to impact that such a decisions will have upon the organizations profitability and reputation. The working group in charge of budgeting must be fully cognizant of the core competencies and the mission of the Institute when proposing actions of this nature to be taken.

<p>Price to Market</p>	<p>This would involve evaluating the price which users of the services of the Institute would be willing to pay for the services which it provides. An iterative process of evaluating what the market will pay versus what the costs would be for various seminars and services aligned with the long term goals and objectives of the institute must be incorporated into all teaching related decisions.</p>
<p>Cost Center Accountability</p>	<p>To local accountability, contribute to attainment of both the financial and intellectual goals of the Institute processes and procedures must be in place from the beginning with have clear links between expenditures and objectives. As budgets are created the working group should correlate the benefits received to the costs involved. In this matter current resources will be better allocated and future resources can be more accurately adapted to changing circumstances.</p>

## CONCLUSION

Creating an internationally accredited bankers training institute in Iraqi will be a multifaceted process. Many parties are involved in this process which ultimately points to the inauguration of a new institution for the betterment of the entire Iraqi economy. This institution will upgrade the knowledge, skills and capabilities of financial services to positively contribute to national economic success.

The Implementation Plan presented here works its way through the process, providing specific steps and defining actions, it is a strong roadmap for realization of the goal. It brings structure to complex activities, indicates what is expected from all the involved parties, when and why plus it provides preliminary guidance on many significant areas, such as finance.

**Annex A:  
 Committee and Subcommittee Calendar**

**Foundational and  
 Institutional  
 Development Stages  
 Meetings**

	5-Sep	12-Sep	19-Sep	26-Sep	10-Oct	11-Oct	12-Oct	17-Oct	31-Oct	1-Nov	2-Nov	14-Nov	15-Nov	16-Nov	28-Nov	12-Dec	13-Dec	14-Dec	26-Dec	27-Dec	28-Dec	2-Jan
	M	M	M	M	M	T	W	M	M	T	W	M	T	W	M	M	T	W	M	T	W	M
	Foundational			Institutional Development																		
<b>Bank Training Institute - Steering Committee</b>	<b>F</b>	<b>I</b>	<b>2</b>	<b>3</b>				<b>4</b>							<b>5</b>							<b>6</b>
<b>Task Reference</b>	<b>2</b>	<b>3</b>	<b>4</b>	<b>5</b>	<b>9</b>				<b>16</b>				<b>23</b>									
<b>Bank Training Institute - Steering Accreditation Subcommittee</b>				<b>1</b>				<b>2</b>				<b>3</b>			<b>4</b>				<b>5</b>			
<b>Task Reference</b>				<b>6</b>	<b>10</b>			<b>13</b>	<b>17</b>			<b>20</b>										
<b>Bank Training Institute - Steering Education Subcommittee</b>				<b>1</b>				<b>2</b>				<b>3</b>			<b>4</b>				<b>5</b>			
<b>Task Reference</b>				<b>7</b>	<b>11</b>			<b>14</b>	<b>18</b>			<b>21</b>										
<b>Bank Training Institute - Steering Operations Subcommittee</b>				<b>1</b>				<b>2</b>				<b>3</b>			<b>4</b>				<b>5</b>			
<b>Task Reference</b>				<b>8</b>	<b>12</b>			<b>15</b>	<b>19</b>			<b>22</b>										

Assumed starting date is: September 5, 2011

M = Monday, T = Tuesday, W = Wednesday

**The above task references are linked directly to the Detailed Implementation Plan found in Section 3.0**

**Annex B:**

**Illustrative Potential Grants**

All grants are conditional on USAID review and approval. There is a defined process to develop and clear each grant, and each grant must be a clearly defined activity with outcomes directly related to budgeted items.

Here are several types of activities that may be funded under grants, and is for illustrative purposes only.

Item	Theme	Concept	Clarification
BTIG01	Study Tour # 1	Visit to the Malaysian Institut Bank – Bank Malaysia (IBBM) plus to the Oman - College of Banking and Financial Studied	<p>IBBM was selected because of its forward looking dynamic approach to BTI work. It has a number of unique elements – such as networking groups, the use of technology and the integration of regional centers.</p> <p>Oman – is selected because it is at a stage of development not so far as to stretch the Iraqi’s understanding, plus has gone through some transformation.</p> <p>Attendees would be Steering Committee plus may be several of the external consultants engaged.</p>
BTIG02	Study Tour # 2	Accreditation related - either visits to the premier org. the ifs-School of Finance or the ACCET (Accrediting Council for Continuing Edu. & Trng)	<p><b>Option 1</b></p> <p>Visit to the IFS – School of Finance will have several effects – 1. Build links, 2. Allow for transfer / cooperation in portfolio of course 3. Add to knowledge of operations and accreditation</p> <p>This could be linked to a visit with one of the European Sites / Accreditation entities i.e. European Quality Improvement System</p> <p>Attendees would be only those members having self-standing English skills</p> <p><b>Option 2</b></p> <p>Contact established with the ACCET would be adding value in the whole process – establishment of a strong foundation early on will help to guarantee the effort is focused. Attendance at the ACCET 2012 Annual Conference is recommended - Location is TBD – but on the East Coast of the USA</p> <p>Attendees would be only those members having adequate English skills, translator would be arranged</p>

Item	Theme	Concept	Clarification
BTIG03	Infrastructure Support	Establishment of a learning resources center	<p>Creation of a group of materials and resources, i.e. books, audio / visual, etc. to be used for the creation of courses. Materials would be the latest available in English and in Arabic on a range of subjects tied into the common body of knowledge from bankers and for the use of the bankers training institute administration</p> <p>Development of needs list to be done as a joined effort of Project coordinated with all components plus the SC</p> <p>To be housed in BTI , with possible temporary housing inside of the CBI or Higher Institute for Accounting and Banking studies ( for use as a research / course development tool )</p>
BTIG04	Infrastructure Support	Physical Plant  Design and Assistance	<p>Selected acquisition of high tech teaching equipment and purpose built items for use by the BTI. Item which would elevate the standards of instruction such as LED projectors, printing white boards, interactive testing systems, simultaneous translations, as well as general office furniture? Also possible would be the use of an interior designer specialized in educational facilities</p> <p>This is to be spread over the planned THREE locations of the BTI – Baghdad, Bashra, Erbil</p>
BTIG05	Infrastructure Support	Mini-mockup of a Bank office	<p>Give the general antiquated state of bank infrastructure particularly in remote areas of Iraqi; there is a potential benefit by training personnel on new equipment and in modern environments. A show-and-tell facility with a potential for role-playing / modeling of circumstances (much as is the case in training programs in Germany and Austria).</p>
BTIG06	Training Development Support	Training and Teaching Skills transfer	<p>Modern training and teaching skills are important in the development of the Institute. This grant would be used to enable instructors to develop pedagogical skills and secure use materials for specialty courses already in used internationally. Examples include the Certified Islamic Professional Accountant, Certified Anti-Money Laundering Specialist, and International Computer Driver License.<sup>34</sup></p>

<sup>34</sup> An extended list of certificates and diplomas issued by bankers training organizations is found end note G of the Foundational White Paper – Iraqi Bankers Training Institute, authored by the Iraq Financial Development Project.

## Annex C

The Arabic version of Law Center for Banking Studies No. 36 may be found at <http://iraqilaws.dorataliraq.net/>

The English translation of the full text of the Law regarding the bankers training institute is:

### **“Law Center for Banking Studies No. 36 Of the year title 1999**

**Content classification:** Iraqi law No. 1: legislation 36 legislation: 1999 date legislation:

#### **Article 1**

I. Establishment of a Center for banking studies to be called the “Center for Banking Studies”, based in Baghdad, and linked to the Iraqi Central Bank Governor.

II. The Center shall be legal entity and will have financial autonomy and rules, and have an independent budget. It will have access to the courts and others entities. The Center will be represented by Director of the Center or his appointee.

#### **Article 2**

Center aims to achieve the following:

I. Banking staff training and re-education for those wishing to enter into banking.

II. Development of expertise and competence in banking system. Provide members of the Center with modern banking science and its applications and inform them of the legal norms and international banking.

III. Engage in Banking and Financial consultancy

IV. Publish research and banking studies, publications and periodicals to help spread awareness of banking.

V. Contribute to the activities of professional organizations and associations related to banking within and outside Iraq.

#### **Article 3**

Contribute to the expenses of the fund for support of the Center:

I. The Central Bank of Iraq 40 percent (40%)

II. The banks 60 percent (60%), from selected banks. Contribution rates will be made public by directives issued in coordination with the Minister of Finance.

#### Article 4

I. the Director of the Center and a Deputy shall be chosen by the Governing Council of the Central Bank of Iraq, based upon a proposal of the Central Bank Governor or his advisors or general managers of the Bank. Candidate for the Director of the Center will have a graduate degree in one of the areas relevant to the functions of the Center.

II. The Center's Management Board shall be chaired by the President and members:

- a. Director General of Statistics and Research at the Central Bank of Iraq.
- b. Representatives of the State Banks, the General Directors, as nominated by the Minister of Finance.
- c. Representative of the Ministry of Higher Education and Scientific Research, and be from teaching staff at a University with a rank of not less than Assistant Professor.
- d. Two representatives from non-governmental banks with a titled of at least Director
- e. Director of the Center, and the Rapporteur of the Board.

III. The Board elects from among its members a Vice-President who shall replace the President in his absence.

IV. The term of membership of the Management Board will be four-years (4), renewable. The term begins on the date of the first Board meeting. Representatives of State Banks and non-governmental Banks shall have a term with duration of two years, renewable.

V. The Center's Management Board meets at the invitation of the President at least once every month. Attendance by half of its members is considered a quorum. In attendance must be include the President or in his absence the Vice-President. The Center's Management Board make its decisions by a majority vote of those present and if there is a tie vote , the deciding vote is by casting the speaker (President or in his absence the Vice-President).

#### Article 5

I. The Center's Management Board shall be responsible for:

- A. Establishment of policy of the Center.
- B. Approval of the Annual Plan of Work.
- C. Adoption of the planning of the Center and annual budget
- D. Adoption of the Final Accounts of the Center.
- E. Determination of the conditions of admission, length of study and training Center and adoption rules examinations and identify time and how to take exams and publish exam results.
- F. Adoption rules for Center students.
- G. Approval of cultural ties and scientific visits with similar institutes and banking centers in the Arab States and internationally. And the representation of the Center in professional organizations and associations related to banking.

- H. Approval of conditions and specifications of members of the teaching staff and lecturers and those persons engaged in applied research. Invite lecturers from the outside Iraq if necessary and select the duration of their teaching and determine their remuneration.
- I. Development of financial, administrative and accounting systems for organizing the work of the Center.
- J. Approval of the number of Board members, staff, faculty and students Center outside Iraq in everything related to Center.
- K. Adoption of a plan of Action for the Center including programs and teaching methods and training and its various phases and levels of training.
- L. Adoption of principles and conditions applied research and reports prepared by the Center in accordance with the requirements of students training curricula.
- M. Coordination with the Iraqi universities and colleges to create qualified lecturers in the field of banking.
- N. Fixing the remuneration of lectures in the Center of directives issued by the Council.
- O. Preparing an annual report on the activities and events Center and reporting this to the Governor.

II. The Council may confer certain powers of Director General.

III. The council's resolutions, related to the implementation of its specialties stated in clause (A,B,C,D,E,F and G) of item (i) of this article, are subject to the governor's approval within (30) days from the date received by the governor's office. If a resolution is to be rejected by the governor within the above-mentioned period, then the resolution shall be presented to board again with explanations for the reasons behind rejection. In case of no action in respect thereof by the governor within the above-mentioned period, they shall be considered valid.

IV. The council's resolutions excluded from item (iii) shall be displayed to the governor within (15) days from their issuing date, so that the governor may be informed.

#### **Article 6**

I. The resources of the center come from the following:

- A. Participation fees for the courses held at the center;
- B. Banking and financial consultation fees;
- C. Investment returns for the center's funds,
- D. Revenues from publications and periodic releases produced in, or issued by the center in accordance with its objectives;
- E. Revenues or donations approved by the governor and relevant authorities, and in accordance with the rules adopted.

II. The fees stated in clause (A, B) of item (i) of this article shall be determined by instructions prepared by the council and issued by the governor.

#### **Article 7**

I. The center shall be managed by a director-general holding a post-graduate degree related to the scientific tasks of the center, and he/she shall be appointed by a decision of the Council of Ministers.

II. The director-general of the center shall exercise the following powers and functions:

- A. Implementation of the council's decisions;
- B. Undertakes the administrative, financial, technical, and regulatory responsibilities of the center;

- C. Nominates the individuals that will take charge of teaching and training in the center, and presents them to the council for approval;
- D. Develop the annual budget planning and staffing of the center;
- E. Preparation of the center's closing accounts and annual financial reports attached thereto;

**Article 8**

A certificate of participation in the banking training and qualifying courses shall be given to participants, and the details of such certificate shall be determined by rules set by the council.

**Article 9**

All the center's accounts shall be subject to monitoring and auditing by the office of financial supervision.

**Article 10**

The governor may issue instructions – proposed by the council - to facilitate the implementation of the provisions of this law.

This law shall be in force from the date of its publication in official gazette.

**Saddam Hussein**

**Chairman of the R.C.C**

**Reasons for this law**

For the sake of coping with the scientific development of banking business, and to upgrade the level of technical and vocational performance of the banking sector, and for the dissemination of theoretical and practical banking sciences, and to enhance the banking services in Iraq by qualifying and developing the employees of the banking system, this law was enacted.

## Explanatory Notes:

<sup>A</sup> As part of the short term technical assistance of the Iraq Financial Development Project a suggested core curriculum for the Iraqi banking community will be developed. This guide will be used to develop essential course offerings at the Center for Banking Studies, which is the legal name for the Iraqi bank Training Institute

<sup>B</sup> As part of the implementation plan linkages will be built with a number of bankers training institutes. Included in these are: the American Bankers Association, the International School of Finance, the Bahrain Institute of Banking and Finance, the Institute Bank – Bank Malaysia, the Institute of Canadian Bankers, and the College of Banking and Financial Studies – Oman. In addition to correspondence, it is planned to conduct a site visit to one or more of these institutes.

<sup>C</sup> Estimated levels of employment in commercial banks at the end of 2009 is:

	Female	Male	Total
Private Sector	6,600	4,400	<b>11,000 persons</b>
Public Sector	25,025	13,475	<b>38,500 persons</b>
<b>Total</b>	<b>31,625</b>	<b>17,875</b>	<b>49,500 persons</b>

Employment in the Central Bank of Iraqi is estimated to be 1760 with 80% in Baghdad, and the remainder throughout Iraq, with the majority in Basra.

This level of employment for commercial banks is distributed into following major labor classifications, the Central Bank has another profile :

Labor Category	Distribution	Persons
Senior Management and Board of Directors	10%	4,950
Junior Management	15%	7,425
Back office support	20%	9,900
Client interface personnel	35%	17,325
Control and Accounting	10%	4,950
Indirect Labor	5%	2,475
Miscellaneous Labor	5%	2,475
<b>Total estimated financial sector staff</b>		<b>49,500</b>

<sup>D</sup> Possible number of required trainings:

<b>Commercial Bankers</b>	<b>Prob. Hours of Training</b>	<b>Number of Individual Course</b>
Sr. Management / Board	10	2 to 5 courses
Jr. Management	30	6 to 1 courses
Back Office	30	6 to 1 courses
Facing Client	40	8 to 2 courses
Control	40	8 to 2 courses
Indirect Labour	20	4 to 2 courses
Misc. Support	10	2 to 5 courses