

INTERNATIONAL SUPPORT FOR IRAQ RECONSTRUCTION



section

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INTERNATIONAL SUPPORT FOR IRAQ RECONSTRUCTION

Since the July 2007 Quarterly Report, there have been no additional pledges announced by international donors for Iraq reconstruction. There have, however, been additional commitments and disbursements.³⁴⁹

Based on data from the Development Assistance Database (DAD), commitments increased by \$265.79 million since last quarter, and disbursements are up \$1.05 billion. International donors currently are funding 242 active projects in Iraq, with 23 projects in the pipeline.³⁵⁰

This quarter, the United Nations (UN) hosted a meeting on September 22, 2007, between Iraq and the international community to review a new blueprint to rebuild Iraq. The ministerial session, which was co-chaired by the UN Secretary-General and the Iraqi Prime Minister, included participants from the international community. They discussed strengthening the UN presence in Iraq and considered the role of the International Compact with Iraq, which aims at stabilizing Iraq by improving the political, economic, and security arenas throughout the country.³⁵¹

Status of the International Compact with Iraq

The International Compact with Iraq (the Compact), a five-year recovery plan that provides benchmarks and shared commitments for Iraq and the international community, presents a

framework for the international community to support the priorities depicted in Iraq's National Vision.³⁵² On July 20, 2007, the first progress report on the implementation of the Compact was released at the UN.

The Compact's Joint Monitoring Matrix (JMM) sets out action items and schedules for the GOI. The JMM lists the socio-economic benchmarks that the GOI has committed to and provides a mechanism for monitoring the implementation of the commitments made under the Compact.³⁵³ Although the Compact is meant to shape the future of donor assistance, no specific donor pledge amounts or debt relief incentives are tied to meeting the benchmarks.

The JMM provides benchmarks/action items for:

- Legislative Program
- National Reconciliation and Dialogue
- Public Resource Management
- Institutions and Improving Governance
- Economic Reform
- Human Development and Human Security
- Energy
- Agriculture³⁵⁴

More than half of the activities under the Compact's JMM are reported to be on track.³⁵⁵ For a breakdown of the open actions, see Table 2.39. For a sample listing of actions, see Table 2.40.

ACHIEVEMENTS AND CHALLENGES

Although some progress has been made toward meeting the Compact's benchmarks, serious challenges still impede progress. The GOI identifies these critical challenges:

- insurgent and terrorist activity

- high levels of corruption and an immature accountability framework
- divided positions on the presence of international forces in Iraq
- inconsistent and unpredictable development assistance
- loss of qualified and experienced professionals³⁵⁶

COMPACT: STATUS OF OPEN ACTIONS

STATUS	NUMBER	% OF TOTAL
In Progress, On Track	169	61%
In Progress, Delayed	28	10%
Due To Start, Delayed	26	9%
Not Yet Due To Start	26	9%
Not Yet Reported	28	10%
Total	277	100%

Source: GOI, "The International Compact with Iraq 2007 Mid-Year Progress Report," July 20, 2007, p. 9.

Notes:

1. Data not formally reviewed, audited, or verified.
2. Percentages are affected by rounding.

TABLE 2.39

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COMPACT: SAMPLE LISTING OF ACTIONS FROM JMM

SECTION	BENCHMARK/ACTION	STATUS
Legislative Program—Progress Legislative Program	By end 2007: Agree on legislative timetable.	Completed
Legislative Program—Progress Legislative Program	By end 2007: Form a Constitutional Review Committee.	Completed
National Reconciliation and Dialogue Program	Form national head committee that contains representatives from the three authorities, the state minister of the national dialogue, and representatives from the parliamentary states.	Completed
National Reconciliation and Dialogue Program	The head national committee forms sub-committees in the governorates to take over the tasks of the committee to expand the reconciliation horizontally.	In Progress, On Track
National Reconciliation and Dialogue Program	Form field committees to put horizontal cultural and media conceptions, follow up on the process of reconciliation, and evaluate stages.	In Progress, On Track
Public Resource Management—Oil Revenues	By 2007, develop a framework for the sharing of the benefits of oil, integrated into the budget process and consistent with the Constitution (Priority Action). This framework must be: transparent and equitable; financially sustainable financing at all levels of government; mindful of legacies of the past and differences in levels of development; properly compensating the producing regions and governorates; supported by appropriate organization structures; and consistent with appropriate accounting and administrative systems.	In Progress, On Track
Public Resource Management—Public Financial Management (PFM)	During 2007, operationalize an enhanced sector-wide and cross-cutting consultation and coordination framework.	In Progress, On Track
Public Resource Management—Public Financial Management (PFM)	During 2007, undertake and complete a functional review of the Ministry of Planning and Development Cooperation as provided for in the Public Financial Management Law (Priority Action)	In Progress, Delayed

Source: GOI, "The International Compact with Iraq 2007 Mid-Year Progress Report," July 20, 2007, Annex 1, p. 1, Annex 2, p. 1, and Annex 3, pp. 1-5.

Notes:

1. Data not formally reviewed, audited, or verified.
2. Listing is a sample of actions and should not be construed as an all-inclusive list or key action list.

TABLE 2.40

United Nations Support

The September 2007 UN meeting emphasized the UN's key role in advancing Iraq's national reconciliation. Participants discussed Security Council Resolution 1770,³⁵⁷ which extended the UN Assistance Mission for Iraq (UNAMI) for an additional 12 months.

The resolution expanded the mission's mandate to "advise, support, and assist 'as circumstances permit'" the GOI and Iraqi people on:

- making progress on the national reconciliation and dialogue program
- building methods for holding elections
- evaluating the Constitution and assisting in the implementation of its provisions
- aiding with regional discussion on issues, such as border security, energy, and refugees
- assisting with preparation and monetary funding of reintegration programs
- setting up the completion of a thorough census³⁵⁸

A modest increase in the number of UN staff in Iraq is expected, but any increase in the UN presence in Iraq will most likely be contingent on the security situation.³⁵⁹

On October 15, 2007, the UN Secretary-General issued the first report under Security Council Resolution 1770. According to the report, since June 2007, UNAMI's activities included:

- participating in a Baghdad meeting on September 9, 2007, with Iraq's neighbor states to prepare for the ministerial-level meeting
- discussing the constitutional review process with Iraqi political leaders

- working with the Board for Independent High Electoral Commission to develop a capacity-building program, which will be funded through the International Reconstruction Fund Facility for Iraq (IRFFI)
- observing the selection of the directors of the 19 Governorate Electorate Offices and ultimately issuing a report on the selection process, at the invitation of the GOI
- advising the Electoral Commission on required steps to convert the Public Distribution System database into a voter registry
- releasing a human rights report on October 11, 2007³⁶⁰

A ministerial meeting is scheduled for early November in Istanbul to discuss the future of UN involvement in Iraq.³⁶¹

Update on World Bank/IMF Projects and Initiatives

The World Bank and International Monetary Fund (IMF) have provided assistance to Iraq to help advance the reconstruction effort. The World Bank has given Iraq aid to develop social services through its International Development Association (IDA), and the IMF has offered support for economic advancements through a Stand-By Arrangement (SBA).

During his visit to Iraq in August, the IG met with the two World Bank personnel permanently assigned to Iraq. Increasing the World Bank contingent on the ground in Iraq would greatly help to realize the potential policies still pending on its agenda.

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WORLD BANK

The World Bank has approved four projects through its IDA loans, totaling \$399 million.³⁶² The World Bank uses IDA to help the world's poorest countries. IDA lends money on concessional terms through its loans; these credits have no interest charge, and repayments are stretched over 35-40 years, including a 10-year grace period.³⁶³

IDA loans focus on basic social services—education, electricity, transportation, and water supply. Two of the projects—Third Emergency Education Project and Emergency Road Rehabilitation Project—became effective on October 15, 2007. Since last quarter, there has also been progress toward implementing the remaining two projects.³⁶⁴ For details for each of the approved projects, see Table 2.41.

WORLD BANK IDA LOANS TO IRAQ (\$ MILLIONS)

NAME	IDA AMOUNT	APPROVAL DATE	IMPLEMENTING AGENCY	DESCRIPTION	STATUS
Third Emergency Education Project	\$100	November 2005	Ministry of Education	Finances the construction of approximately 82 new primary and secondary schools in 15 governorates. The project will directly benefit about 57,000 students.	Became effective on October 15, 2007.
Emergency Road Rehabilitation Project	\$135	June 2006	Ministry of Construction and the KRG Directorate for Roads and Bridges	Will rehabilitate and reconstruct highways and village access roads, and replace approximately three floating bridges with permanent structures in central and southern Iraq.	Became effective on October 15, 2007.
Dokan and Darbandihkan Emergency Hydropower Project	\$40	December 2006	KRG Ministry of Electricity	Part of Iraq's overall Electricity Master Plan, providing electricity in the Kurdistan region and to the interconnected national grid. The project will directly impact approximately 490,000 households and provide benefits for industrial consumers.	Not yet effective. A financing agreement has been ratified, and the legal opinion is expected. The primary contract (evaluation of rehabilitation requirements) was ready in May 2007 but could not be signed because credit was not yet effective. Since retroactive financing is allowed, \$.17 million has been paid and the assessment has begun.
Emergency Electricity Reconstruction Project	\$124	March 2007	Ministry of Electricity	Aims to restore the base-load generation capacity of the Hartha Power Station and build capacity in the Ministry of Electricity.	In September 2007, a contract was granted for evaluating bids for the rehabilitation works; work has already begun under this contract. The rehabilitation contract is projected to be ready by the end of October. A financing agreement has not yet been ratified.
Total	\$399				

Source: IRFFI, *World Bank Operations in Iraq Data Sheet*, September 30, 2007.

Note: Data not formally reviewed, audited, or verified.

TABLE 2.41

INTERNATIONAL MONETARY FUND (IMF)

The IMF works to promote global monetary cooperation, obtain financial stability, support international trade, advance high employment and sustainable economic growth, and lessen poverty. In 2005, the IMF entered into a Stand-By Arrangement (SBA) with Iraq to help advance the country's macroeconomic and financial sector reforms. This has been the most effective international agreement involving Iraq from an economic perspective in that the SBA benchmarks have already fostered meaningful economic change in Iraq.

IMF Stand-By Arrangement

On December 23, 2005, Iraq signed an SBA with the IMF, providing for loans of up to \$727.4 million.³⁶⁵ An SBA is a credit agreement that allows a country to borrow up to a specified amount to deal with short-term balance of payment problems. Under an SBA, the IMF reviews the economic indices to determine whether the country has made progress toward structural reforms.³⁶⁶

To date, the IMF has performed five reviews of the SBA with Iraq. The most recent review, concluded in August 2007, reported progress in:³⁶⁷

- continuing the phased adjustment of official fuel prices, including raising the domestic fuel prices on July 1, 2007
- reducing fuel shortages by issuing about 20 licenses to private importers
- beginning to develop a strategy for medium-term tax reforms, with technical assistance from international partners

- improving public financial management
- managing the exchange rate to decrease inflation
- expanding coverage of the new payment system
- implementing the memorandum of understanding for the bank restructuring program
- raising the policy interest rate by the Central Bank of Iraq (CBI)³⁶⁸

According to the fifth progress report, the political and security situation and volatile oil prices pose significant risks for Iraq's economic prospects. Iraq's key challenges are to increase economic growth and further reduce inflation. To meet these challenges, it is necessary to:

- increase investment, especially in the oil sector
- continue macroeconomic policies to bring inflation down
- move ahead with priority structural reforms³⁶⁹

The IMF Executive Board recently noted that Iraq has kept its economic program on track despite the troubling political situation and tough security environment. However, the development of oil production is lagging and overall inflation remains high. The IMF believes that the economic future of Iraq "hinge[s] critically" on enhancements in the security environment.³⁷⁰ The IMF Executive Board approved an extension of the SBA through December 28, 2007.³⁷¹

Negotiations for the SBA successor arrangement are expected to begin during the fall. The

aim of the successor arrangement is to achieve macroeconomic stability, continue the economic reform program, and complete the third and final stage of the 2004 Paris Club debt reduction agreement.³⁷²

UPDATE ON BANK RESTRUCTURING PROGRAM

A Memorandum of Understanding (MOU) between the Minister of Finance and the CBI directs the operations of the two largest state-owned banks, Rafadain and Rasheed. The MOU's restructuring initiatives are based on directives by the World Bank and the IMF.

Support from the U.S. Department of Treasury in this area includes:

- re-stating the 2006 balance sheet for Rafadain and Rasheed
- providing assistance to identify and clarify foreign debt, inherited losses, and reserves
- assisting in the selection of an external audit firm; for both Rafadain and Rasheed
- aiding in the valuation of assets, liabilities, and credits
- completing policy and procedures, job descriptions, and organizational design table to assist the banks
- advising on additional areas as requested, such as: accounting disciplines, banking operations, information technology, legal issues, government treasury, credit, and training requirements³⁷³

During December 2007, a conference will be held to discuss the financial and operational requirements remaining to complete the bank restructuring. Representatives of Iraq's

state-owned banks, the CBI, the IMF, and the World Bank will be attending the conference in Jordan.³⁷⁴

Grants and Loans from International Donors

The Ministry of Planning and UN Development Programme (UNDP) developed the DAD to record donor assistance, analyze donor activities, and monitor the implementation of donor-funded projects. The donors are the main source for data recorded in the DAD. Donors provide information to the Ministry of Planning to populate the DAD, but there is no standard timeframe for donors to provide updates.³⁷⁵

Of the \$18.38 billion pledged, \$696.5 million comes from the framework of the Compact. There have been no additional pledges made under the Compact since last quarter. Together, the top ten international donors represent more than 90% of the total international funds pledged, but these same donors represent only 61% of the total international funds disbursed. Five of these top ten donors have not yet disbursed any of their pledged funding. For details of pledges and disbursements made by the top ten donors, see Figure 2.37.

For the breakdown of donor assistance by country and organization, of donor assistance, see Table 2.42.

At the end of 2004, the GOI owed an estimated \$120 billion to the international community and private creditors. Iraq's creditors have written off \$31 billion through debt agreements with Iraq, which brought the GOI's external debt down to \$89 billion as of December 2006.³⁷⁶ Since January 2007, four countries

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have promised an additional \$21 billion in debt relief.³⁷⁷ There has been no additional debt relief announced since last quarter. The GOI is working with lender countries to establish time-lines to achieve the full range of debt forgiveness promised thus far through the Compact.³⁷⁸

During October 2007, the National Bureau of Economic Research issued a report on the financial impact of the military surge in Iraq. The

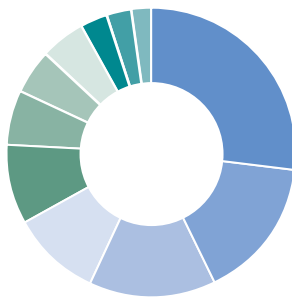
report examined the price of Iraqi state bonds in the world financial markets. These bonds are being serviced by the GOI. The report found that after the surge, the Iraqi bond yield increased by 115 to 170 basis points; this corresponds to an increase of approximately 40% in the expected annual probability of default for Iraqi bonds traded on the world's financial markets.³⁷⁹

Figure 2.37

INTERNATIONAL DONORS - PLEDGES AND DISBURSEMENTS

\$ Billions, Total Pledges \$18.38 Billion

Source: See sources for "Donor Grants and Loans to Iraq" table on next page.



Pledges - Percentage by Donor

Donor	\$ Billions	Percentage
Japan	\$5.00	27%
World Bank	\$3.00	16%
International Monetary Fund	\$2.55	14%
Other Donors	\$1.83	10%
United Kingdom	\$1.54	9%
Iran	\$1.02	6%
Saudi Arabia	\$1.00	5%
European Commission	\$0.97	5%
Kuwait	\$0.51	3%
Islamic Development Bank	\$0.50	3%
South Korea	\$0.46	2%

Percentage of Pledges Disbursed

Donor	Percentage Disbursed
Japan	20%
World Bank	3%
International Monetary Fund	0%
Other Donors	53%
United Kingdom	17%
Iran	0%
Saudi Arabia	0%
European Commission	1.2%
Kuwait	0%
Islamic Development Bank	0%
South Korea	33%

Notes:

1. Numbers are affected by rounding.
2. Excludes U.S. funding.
3. Disbursements based on DAD reporting.

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DONOR GRANTS AND LOANS TO IRAQ (U.S. DOLLARS)

DONOR	PLEGGED ^a	COMMITTED ^b	CHANGE FROM JULY 2007 QUARTERLY REPORT	DISBURSED ^b	CHANGE FROM JULY 2007 QUARTERLY REPORT
Australia	\$104,168,111	\$40,253,296	-	*	-
Austria	5,700,000	*	-	*	-
Belgium	11,815,789	3,803,351	-	\$2,473,396	-
Bulgaria	1,300,000	*	-	*	-
Canada	286,085,242	178,238,910	-	106,082,427	-
China	38,000,000	*	-	*	-
Croatia	333,000	*	-	*	-
Cyprus	120,000	*	-	*	-
Czech Republic	14,700,000	*	-	*	-
Denmark	103,082,297	18,042,189	-	3,135,259	-
Estonia	80,000	*	-	*	-
Finland	8,834,500	8,835,000	\$500	*	-
France	32,288	32,288	-	*	-
Germany	12,820,513	807,660	-	586,276	-
Greece	5,414,458	3,614,458	-	*	-
Hungary	1,667,005	*	-	*	-
Iceland	3,200,000	2,700,000	-	*	-
India	11,000,000	10,000,000	2,500,000	*	-
Iran	1,020,000,000	*	-	*	-
Ireland	3,534,300	1,234,568	-	*	-
Italy	435,000,000 ^c	35,732,540	-	5,266,564	-
Japan	5,000,000,000	1,527,551,666	(2,092,000)	1,022,339,900	(\$2,092,000)
Jordan	1,500,000	75,000	-	*	-
Kuwait	516,200,000	10,000,000	-	*	-
Lithuania	30,000	*	-	*	-
Luxembourg	2,563,298	2,323,298	-	*	-
Malta	270,000	*	-	*	-
Netherlands	21,929,596	15,929,596	-	2,482,916	-
New Zealand	7,178,378	3,378,378	-	*	-
Norway	24,018,692	23,186,046	-	8,465,164	151,253
Oman	3,000,000	*	-	*	-
Pakistan	2,500,000	*	-	*	-
Portugal	600,000	*	-	*	-
Qatar	100,000,000	5,000,000	-	*	-
Russia	8,000,000	*	-	*	-
Saudi Arabia	1,000,000,000	*	-	*	-
Singapore	1,700,000	*	-	*	-
Slovenia	420,000	*	-	*	-
South Korea	460,000,000	234,745,929	66,411,302	149,333,041	17,315,584
Spain	270,000,000	188,406,287	-	62,251,729	-
Sri Lanka	75,500	*	-	*	-
Sweden	58,424,464	67,877,122	20,426,144	21,093,557	15,273,864
Switzerland	11,000,000	*	-	*	-
Taiwan	4,300,000	*	-	*	-

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DONOR GRANTS AND LOANS TO IRAQ (U.S. DOLLARS)

DONOR	PLEGGED ^a	COMMITTED ^b	CHANGE FROM JULY 2007 QUARTERLY REPORT	DISBURSED ^b	CHANGE FROM JULY 2007 QUARTERLY REPORT
Turkey	50,000,000	1,300,000	-	98,442	-
United Arab Emirates	215,000,000	*	-	*	-
United Kingdom	1,537,037,037	579,114,825	129,051,640	259,893,401	177,850,573
Vietnam	700,000	*	-	*	-
Subtotal	11,363,334,468	2,962,182,407	216,297,586	1,643,502,072	208,499,274
European Commission	969,975,000 ^d	693,953,460	24,273,460	1,786,621	-
Subtotal	969,975,000	693,953,460	24,273,460	1,786,621	-
International Financial Institutions					
IMF (low range)	2,550,000,000	727,400,000 ^e	13,400,000 ^f	*	-
World Bank (low range)	3,000,000,000	164,000,000	(240,000)	90,777,000	90,700,986
Islamic Development Bank	500,000,000	*	-	*	-
UNDP	*	12,061,320	12,061,320	754,674,001	754,674,001
Subtotal	6,050,000,000	903,461,320	25,221,320	845,451,001	845,374,987
Total International Donor Assistance	\$18,383,309,468^g	\$4,559,597,187	\$265,792,366	\$2,490,739,694	\$1,053,874,261

*No data available.

^a SIGIR analyzed data to compile pledge figures from these sources: Iraqi Ministry of Planning Development Assistance, September 24, 2007, www.mop-iraq.org/dad; GOI, "The International Compact with Iraq 2007 Mid-Year Progress Report," July 20, 2007; CRS, "Post-War Iraq: Foreign Contributions to Training, Peacekeeping, and Reconstruction," June 18, 2007; GAO, "Stabilizing and Rebuilding Iraq: Coalition Support and International Donor Commitments," May 9, 2007.

^b Source: GOI, Ministry of Planning Development Assistance Database, September 24, 2007, www.mop-iraq.org/dad.

^c Change from last quarter is due to correction in data used by SIGIR for pledges; this does not reflect an additional pledge made since last quarter.

^d Change is due to exchange rate fluctuation from last quarter. European Commission (EC) pledged Euro 718.5 million, this equates to \$969,975,000 using an exchange rate of Euro 1.0=\$1.35. This does not reflect an additional pledge made since last quarter.

^e This loan is from the Stand-By Arrangement. Amount is for SDR 475.4. Source for U.S. equivalent: IMF, "IMF Executive Board Completes Fifth Review and Review of Financing Assurances under Iraq's Stand-By Arrangement, and Approves Three-Month Extension of the Arrangement to December 2007, Press Release No. 07/175," August 2, 2007.

^f Change is due to exchange rate fluctuations. Actual SBA loan is SDR 475.4 million.

^g This figure does not include the \$10 million Madrid pledge and the \$10.7 billion Compact pledge from the United States.

Notes:

1. Data not formally reviewed, audited, or verified.
2. Committed and disbursed are the international terms used; this terminology is comparable to the SIGIR terms obligated and expended.

TABLE 2.42

INTERNATIONAL RECONSTRUCTION FUND FACILITY FOR IRAQ

The International Reconstruction Fund Facility for Iraq (IRFFI) administers a segment of international donor assistance and is co-chaired by the GOI and Italy. Twenty-five donors have committed \$1.75 billion to the two IRFFI funds—the World Bank Iraq Trust Fund (World Bank ITF) and the UN Development Group Iraq Trust Fund (UNDG ITF).³⁸⁰ Virtually all

IRFFI commitments (96%) have been deposited. Of the total IRFFI funds, approximately \$1.09 billion has been contracted, and \$769 million has been disbursed.³⁸¹ This is an increase of \$27 million (about 3%) in disbursed funds above the previous quarter; the contracted amount has remained constant since the previous quarter.

World Bank Iraq Trust Fund

During 2004, donors authorized the World Bank to administer the World Bank ITF, and the account began receiving funds. As of September 30, 2007, 17 donors had committed approximately \$462.4 million to the World Bank ITF; of the total commitments, \$459.6 million has been deposited. Of the total deposits, \$319 million has been contracted, and \$109 million has been disbursed. Figure 2.38 shows the status of World Bank ITF funds through September 30, 2007.

The World Bank ITF currently finances 16 projects, valued at \$436.7 million, which report this progress:

- As part of the World Bank ITF, only one project was approved during 2007—electricity reconstruction, for \$6.0 million.
- Two projects have been completed and closed. The Emergency Textbook Provision Project, at \$40.6 million, was implemented by the GOI; the Capacity Building I Project, at \$3.0 million, was implemented by the World Bank.
- The GOI directly implements 12 of the remaining 14 active projects, valued at \$384.6 million. The World Bank implements the remaining two active projects (\$8.5 million) in capacity building and technical assistance.

The four largest projects represent nearly 74%

of the total project cost for active projects. For a snapshot of these projects, see Table 2.43.³⁸²

UN Development Group Iraq Trust Fund

The UNDP administers the UNDG ITF. Twenty-five donors have committed nearly \$1.29 billion to the ITF—an additional \$.11 billion above the previous quarter.³⁸³ Of the total commitments, nearly \$1.23 billion has been deposited, as of July 31, 2007 (the most current information available). Currently, 16 UN agencies are implementing 160 projects with more than \$1.06 billion in funding. Details of the UNDG ITF funding include:

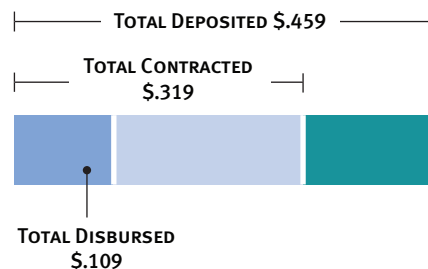
- The European Commission is the largest single donor, with a deposit of nearly \$529 million, followed by Japan, with nearly \$361 million. These two donors represent nearly 73% of the \$1.23 billion in total deposits.
- UNDP is the agency with the most

Figure 2.38

WORLD BANK IRAQ TRUST FUND - STATUS OF FUNDS

\$ Billions, Total Committed \$.462

Source: IRFFI, *World Bank Operations in Iraq Data Sheet* (9/30/2007)



Notes:

1. Numbers are affected by rounding.

2. Commitment is a legally binding contribution to the fund; deposit is actual cash received by the fund; contracted is amount under contract for a project; disbursed is amount paid to a vendor or entity.

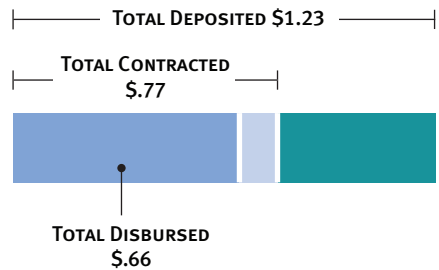
approved funding (\$296.9 million), followed by the UN Office for Project Services (\$177.2 million) and UNICEF (\$149.8 million).

- \$771 million (73%) of approved funding has been contracted.
- \$660 million (62%) of approved funding has been disbursed.
- 25 projects have been operationally completed.³⁸⁴

For the status of UNDG ITF funds through July 31, 2007, see Figure 2.39.

Figure 2.39

**UN DEVELOPMENT GROUP IRAQ TRUST FUND
STATUS OF FUNDS**
\$ Billions, Total Committed \$1.29
Source: IRFFI, www.irffi.org (7/31/2007)



Notes:

1. Numbers are affected by rounding.
2. Total deposited, contracted, and disbursed as of 7/31/2007; committed as of 9/30/2007.
3. Commitment is a legally binding contribution to the fund; deposit is actual cash received by the fund; contracted is amount under contract for a project; disbursed is amount paid to a vendor or entity.

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WORLD BANK IRAQ TRUST FUND: SNAPSHOT OF FOUR LARGEST PROJECTS (\$ MILLIONS)

NAME	PROJECT AMOUNT	CONTRACTED	DISBURSED	APPROVAL/ EFFECTIVE DATE	IMPLEMENTING AGENCY	DESCRIPTION	STATUS
Water Supply, Sanitation, and Urban Reconstruction	\$110.0	\$71.0	\$17.5	December 2004	Ministry of Municipalities and Public Works	Finances water supply and sanitation rehabilitation in nine cities and urban reconstruction in the poorest areas of three cities. The project benefits more than two million people. Additionally, the project offers capacity-building support through training and technical assistance. This project will generate employment—estimated at a minimum of 3,000 jobs.	Contract bids have begun to come in higher than anticipated; therefore, it was determined that some project components will be dropped. The dropped components will be selected during the project restructuring in November 2007. Civil works contracts are in development for rehabilitation and improvements to water supply. Remaining segments of the project will start by December 2007.
Baghdad Water Supply and Sanitation	\$65.0	\$8.4	\$7.5	December 2004	Municipality of Baghdad	Assists in restoring basic water supply and sanitation services in Baghdad through reconstruction and rehabilitation of existing priority networks and treatments facilities, as well as providing capacity building support.	Mayorality of Baghdad contracted consultants to develop tender documents and designs for the construction phase. Contracts have been signed for goods and works. The mayorality also has recruited a team to develop and execute a city development plan for Baghdad.
School Reconstruction and Rehabilitation	\$60.0	\$36.9	\$14.1	October 2004	Ministry of Education	Aims to improve learning conditions in primary and secondary schools through the construction of 56 new schools and major rehabilitation of 133 schools. Project will benefit more than 100,000 families with children attending unsafe or overcrowded schools and will generate thousands of jobs for Iraq construction firms.	Major rehabilitation has been completed for 133 schools. Project has benefited 46,000 students so far. Additionally, construction for 30 new schools has begun, and there are 26 schools in the pipeline for rehabilitation during early 2008.
Private Sector Development	\$55.0	\$39.0	\$4.4	November 2004	Ministry of Planning and Development Cooperation and ITPC	Addresses selected priorities in institutional capacity building and essential communications infrastructure through the installation of a high-capacity national telecommunications network.	Contract signed during June 2006 for supply and installation of national telecommunications network. Contracts have been awarded for public institution component, competitive component, and payment system infrastructure.
Total	\$290.0	\$155.3	\$43.5				

Source: IRFFI, *World Bank Operations in Iraq Data Sheet*, September 30, 2007.
Note: Data not formally reviewed, audited, or verified.

TABLE 2.43

EXAMPLES OF DONOR-FUNDED PROJECTS

International donors have funded 572 projects³⁸⁵ and committed nearly \$3.67 billion to the project cost.³⁸⁶ For a breakdown of the status of donor funded projects, see Figure 2.40.

The types of projects funded by international donors vary according to the donor country and their foreign developmental policy, idea, and evaluation of the types of projects most beneficial for Iraq reconstruction.³⁸⁷

Data for donor-funded projects was gathered from the DAD. Donors do not regularly provide updated data for the DAD; therefore, the information listed in Table 2.44 should be considered a partial view of donor assistance.³⁸⁸

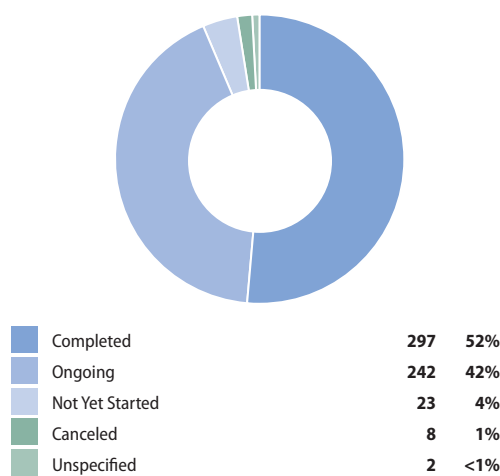
Based on project type, SIGIR noted that most of the international donor funds are used for supplies (27% of total project costs), rehabilitation (23%), and capacity building (21%)—not for hard reconstruction projects (9%).³⁸⁹

At the DAD sector level, Infrastructure is the largest donor-funded sector in terms of committed funds for projects (27%), followed by Governance and Democracy Development (15%) and Health (14%).³⁹⁰ For a status of Iraqi donor spending, see Table 2.44 and Figure 2.41.

Figure 2.40

STATUS OF PROJECTS FUNDED BY INTERNATIONAL DONORS

Source: GOI, Ministry of Planning Development Assistance Database, www.mop-iraq.org/dad (10/17/2007)



Notes:
 1. Numbers are affected by rounding.
 2. Excludes U.S.-funded projects.

INTERNATIONAL SUPPORT FOR IRAQ RECONSTRUCTION

DONOR-FUNDED PROJECTS BY SECTOR, AS OF 9/24/2007 (U.S. DOLLARS)

SECTOR	COMMITTED	DISBURSED
Agriculture, Food, and Fishing	\$235,144,389	\$183,071,542
Economic Development	177,389,598	38,443,901
Education, Science, and Culture	333,555,524	232,254,236
Energy	26,164,177	23,333,989
Environment	253,294,917	158,363,057
Governance and Democracy Development	537,876,975	372,577,928
Health	512,385,933	414,778,761
Housing, Labor, and Social Affairs	372,324,737	236,346,389
Infrastructure	1,004,678,229	666,270,164
Security	165,470,968	125,291,324
Unspecified/Unclassified	42,677,280	36,217,518
Unallocated	7,603,219	3,790,886
Total	\$3,668,565,946	\$2,490,739,695

Source: GOI, Ministry of Planning Development Assistance Database, September 24, 2007, www.mop-iraq.org/dad.

Notes:

1. Data not formally reviewed, audited, or verified. Data excludes U.S. funds.
2. Committed and disbursed are the international terms used; this terminology is comparable to the SIGIR terms obligated and expended.

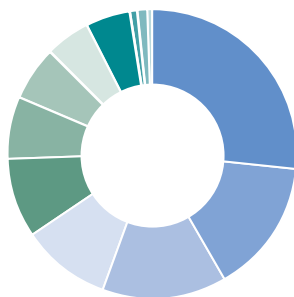
TABLE 2.44

Figure 2.41

DONOR-FUNDED PROJECTS BY SECTOR

\$ Billions, % of \$3.668 Billion

Source: GOI, Ministry of Planning Development Assistance Database, www.mop-iraq.org/dad (9/24/2007)



Committed Funds - Percentage per Sector

Sector	Amount (\$ Billions)	Percentage (%)
Infrastructure	\$1.005	27%
Governance and Democracy Development	\$0.538	15%
Health	\$0.512	14%
Housing, Labor, and Social Affairs	\$0.372	10%
Education, Science, and Culture	\$0.334	9%
Environment	\$0.253	7%
Agriculture, Food, and Fishing	\$0.235	6%
Economic Development	\$0.177	5%
Security	\$0.165	5%
Unspecified/Unclassified	\$0.043	1%
Energy	\$0.026	1%
Unallocated	\$0.008	<1%

Percentage of Sector Funds Disbursed

Sector	Percentage (%)
Infrastructure	66%
Governance and Democracy Development	69%
Health	81%
Housing, Labor, and Social Affairs	63%
Education, Science, and Culture	70%
Environment	62%
Agriculture, Food, and Fishing	78%
Economic Development	22%
Security	76%
Unspecified/Unclassified	85%
Energy	89%
Unallocated	50%

Notes:

1. Numbers are affected by rounding.
2. Excludes U.S. funded projects.