

## INTERNATIONAL SUPPORT FOR IRAQ

SIGIR continues to note the challenges in reporting on international contributions to Iraq reconstruction. As Iraq shifts to normalized relations with the international community, the United States is less able to track international funding.

### Donor Assistance to the GOI

As of December 31, 2008, the Department of State (DoS) reported \$17 billion in total donor pledges,<sup>1</sup> including \$5.26 billion in grants and \$11.75 billion in loans.<sup>2</sup>

Of that amount, donors have committed \$5.56 billion in grants through contracts, budget actions, or dedicated international agreements—approximately \$308 million more than the total of grants pledged.<sup>3</sup> Donors have also committed \$4.39 billion in loans, approximately \$7.36 billion less than loans pledged.<sup>4</sup>

This quarter, the GOI completed a \$670 million draw on its nearly \$730 million<sup>5</sup> Stand-By Agreement with the International Monetary Fund (IMF).<sup>6</sup>

### Development Assistance Database

U.S. advisors have joined with the United Nations Development Programme (UNDP) and the European Union to help the Ministry of Planning and Development improve its tracking of donor contributions to Iraq reconstruction. Initial efforts focused on enhancing the Development Assistance Database (DAD). Efforts continue to establish a broader Capital Budget Request and Tracking System that would capture all efforts for reconstruction, including those funded by Iraq's national and provincial budgets. However, the efforts to integrate the two systems continue to cause logistical and organizational issues.<sup>7</sup>

There is no standard reporting requirement for donors to provide data and no set time frame for updates to the DAD to be completed. Thus, comparing DoS donor pledge figures to data available in the DAD does not provide an accurate or complete picture of the status of donor support.

As of January 10, 2009, the DAD reported total commitments of \$5.56 billion—an increase of approximately \$158 million from July 2008.<sup>8</sup> Disbursements rose \$22.67 million this quarter, now totaling \$2.66 billion.<sup>9</sup> For an overview of Iraqi donor spending reported in the DAD, see Table G.1 and Table G.2.

### International Reconstruction Fund Facility for Iraq

The Donors Committee of the International Reconstruction Fund Facility for Iraq (IRFFI) met in Istanbul, Turkey, in February 2007 and extended the lifetime of the IRFFI by one year—from the end of 2009 to the end of 2010. In October 2007, the Donors Committee decided to align the activities of the IRFFI in support of the International Compact with Iraq. A Donors Committee meeting in Naples, Italy, originally scheduled for December 2008, was postponed until February 2009. The central purpose of the meeting will be to address the decisions that are needed for an IRFFI wrap-up. The United Nations Development Group (UNDG) and World Bank (WB) prepared a Concept Note discussing the timeline and mechanisms for closing the IRFFI in a manner that is supportive of the International Compact.<sup>10</sup>

As of December 31, 2008, 25 IRFFI donors had committed \$1.85 billion for Iraq reconstruction.<sup>11</sup> Of this commitment, the UN Development Group Iraq Trust Fund (UNDG

ITF) totals \$1.36 billion, and the World Bank Iraq Trust Fund (WB ITF) totals \$497 million.<sup>12</sup>

Since 2003, the UN has played a sustaining role in supporting Iraq’s relief and reconstruction efforts. For more information, see *Governance*.

## World Bank

The World Bank funds several programs to support the GOI in addressing primary reconstruction needs:

- restoring basic services
- supporting private-sector development
- enhancing social safety nets
- improving public-sector governance

This support for Iraq reconstruction is funded primarily through the WB ITF. However, the

World Bank also assists through loan programs and projects with international partners.

## World Bank IDA Loans

The World Bank has provided assistance to Iraq to develop social services through its International Development Association (IDA). Five IDA loans have been approved for Iraq, totaling \$508.5 million.<sup>13</sup> For the status of these projects, see Table G.3.

### Endnotes

1. NEA-I, response to SIGIR data call, 1/5/2009.
2. NEA-I, response to SIGIR data call, 1/5/2009.
3. NEA-I, response to SIGIR data call, 1/5/2009.
4. NEA-I, response to SIGIR data call, 1/5/2009.
5. IMF, “IMF Executive Board Completes Second Review of Iraq’s Stand-By Arrangement, 12/17/2008, www.imf.org, accessed 1/18/2009.
6. NEA-I, response to SIGIR data call, 1/16/2009.
7. DoS, Section 2207 Report, 7/2008, p. II-4.
8. GOI, *Development Assistance Database*, 1/19/2009.
9. GOI, *Development Assistance Database*, 1/10/2009.
10. NEA-I, response to SIGIR data call, 1/5/2009.
11. IRFFI, “Donor Commitments to the World Bank Iraq Trust Fund and United Nations Development Group Iraq Trust Fund,” 12/31/2008.
12. IRFFI, “Donor Commitments to the World Bank Iraq Trust Fund and United Nations Development Group Iraq Trust Fund,” 12/31/2008.
13. IRFFI, *World Bank Operations in Iraq Data Sheet*, 12/31/2008.

TABLE G.1

### SNAPSHOT OF TOP DONOR-FUNDED PROJECTS

DONOR	PROJECT COST (\$ MILLIONS)	TITLE	PROJECT IMPLEMENTATION STATUS	SECTOR (TRADITIONAL CLASSIFICATION)	PROVINCE
Sweden, World Bank	\$150.00	Electricity Reconstruction Project (Rehabilitation of unit (2,3) of HARTHA power station)	Ongoing	Infrastructure	Basrah
Japan	\$118.71	Construction of a Diesel Power Station (60 MW) in Al-Samawah	Ongoing	Infrastructure	Muthanna
World Bank Iraq Trust Fund	\$110.00	Emergency Water, Sanitation and Urban Reconstruction Project	Ongoing	Environment; Housing, Labor and Social Affairs	Dahuk, Sulaymaniyah, Erbil
World Bank	\$100.00	New School Buildings Construction	Not Started	Education, Science and Culture	Nationwide
Japan	\$72.22	Supply and Installation of Units Mobile Substations.	Completed	Infrastructure	Baghdad, Babylon, Kerbala, Najaf, Qadissiya, Muthanna, Thi-Qar
Japan	\$68.45	Project for Rehabilitation of Four General Hospitals in the Northern Region of Iraq	Completed	Health	Dahuk, Ninewa, Tameem, Erbil
Japan	\$66.17	Rehabilitation of Taji Gas Turbine Power Station	Completed	Infrastructure	Baghdad
Japan	\$65.04	Project for Improvement of Trunk Communications Network	Completed	Infrastructure	Nationwide
World Bank Iraq Trust Fund	\$65.00	Emergency Baghdad Water Supply and Sanitation Project	Ongoing	Environment; Housing, Labor and Social Affairs	Baghdad
United Kingdom	\$62.26	Provision of General Food Basket to the Iraqi Population. Upgrading Logistics and Communications Capacity.	Completed	Agriculture, Food and Fishing	Nationwide
<b>Total</b>	<b>\$877.85</b>				

Source: GOI, *Development Assistance Database*, www.mop-iraq.org/dad, accessed 1/10/2009.

Notes: Data not formally reviewed, audited, or verified. Numbers affected by rounding. Data excludes U.S.-funded projects. Committed and disbursed are the international terms used; this terminology is comparable to the SIGIR terms obligated and expended.

TABLE G.2

## DONOR PROJECTS BY SECTOR (\$ MILLIONS)

SECTOR	COMMITTED	DISBURSED
Agriculture, Food and Fishing	\$287.55	\$193.34
Economic Development	199.16	51.42
Education, Science, and Culture	352.21	242.94
Energy	26.16	23.41
Enterprise and Industry	1.05	3.07
Environment	250.85	157.41
Governance and Democracy Development	575.34	409.79
Health	592.35	445.83
Housing, Labor and Social Affairs	328.41	230.13
Infrastructure	1,023.58	716.45
Security	189.84	153.13
Unspecified/Unclassified	20.28	12.47
Unallocated	8.59	4.86
<b>Total</b>	<b>\$3,855.37</b>	<b>\$2,644.26</b>

Source: GOI, *Development Assistance Database*, [www.mop-iraq.org/dad](http://www.mop-iraq.org/dad), accessed 1/10/2009.

Note: Data not formally reviewed, audited, or verified. Numbers affected by rounding.

TABLE G.3

## WORLD BANK IDA LOANS

Project Name	Product Amount (\$ millions)	Approval Date	Implementing Agency	Description	Status
Third Emergency Education	\$100	November 2005	Ministry of Education	Helps alleviate school overcrowding through construction of 82 new schools in 15 provinces. The project directly benefits about 57,000 students.	In November 2008, a mission took place to discuss the steps and work plan for restructuring the project in response to the long delays and increases in construction costs. The Ministry of Education is working with the World Bank to restructure the project and extend the closing date to address the needs of the education sector and ensure the project meets its development objective.
Emergency Road Rehabilitation	\$135	June 2006	Ministry of Construction	Assists in the rehabilitation of highways and village access roads in central and southern Iraq. Three floating bridges will also be replaced with permanent structures.	In December 2008, a mission took place to carry out an Early Implementation Assessment. The mission discussed the need to review the number and length of roads to be rehabilitated in all provinces before the June 2010 closing date.
Dokan and Derbandikhan Hydropower	\$40	December 2006	KRG Ministry of Electricity	Part of Iraq's overall Electricity Master Plan, providing electricity in the Kurdistan region and to the national grid. The project will directly impact an estimated 490,000 households and provide benefit for industrial consumers.	Contracts continue to be negotiated for urgent rehabilitation of power plant excitation systems and overhaul of switchyard and compressor spare parts. The Terms of Reference for an Environmental Management Plan are being finalized.
Emergency Electricity Reconstruction	\$124	March 2007	Ministry of Electricity	Aims to restore the base-load generating capacity of the Hartha power plant and build capacity at the MOE.	The rehabilitation contract of Hartha power plant has not been signed, pending agreement on contract price and security arrangements.
Emergency Water Supply	\$109.5	June 2008	Ministry of Water Resources	Intends to improve the quantity and quality of water availability in four selected high-priority provinces. Assists GOI on developing a sustainable policy for the water sector.	The Credit Agreement was signed in October 2008 and is expected to be declared effective in late January 2009.
<b>Total</b>	<b>\$508.5</b>				

Source: IRFFI, *World Bank Operations in Iraq Data Sheet*, 12/31/2008.