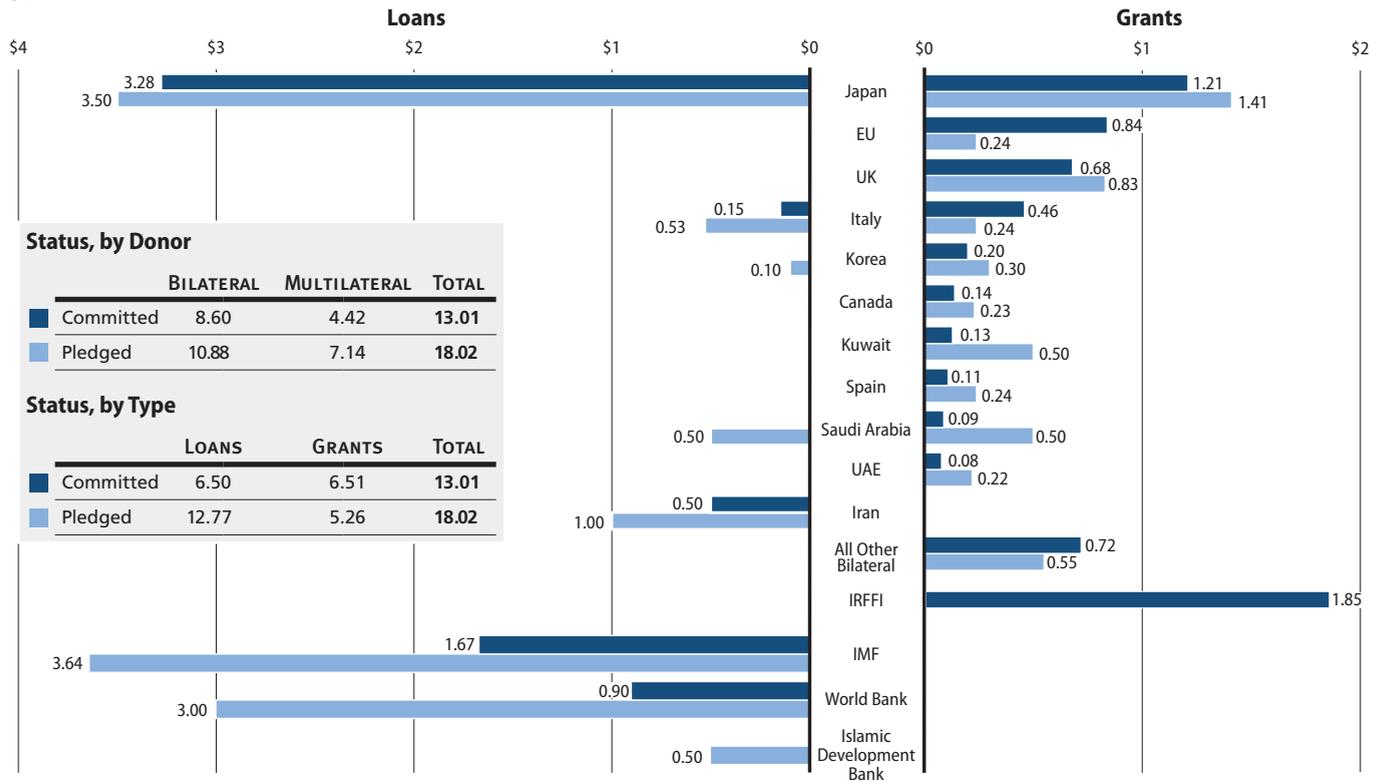


# INTERNATIONAL DONOR ASSISTANCE TO THE GOI

Donor assistance to the GOI includes bilateral and multilateral development assistance in loans and grants. As of December 31, 2010, the Department of State (DoS) reported \$18.02 billion in total donor pledges, including \$5.26 billion in grants

and \$12.77 billion in loans.<sup>1</sup> Donor commitments totaled \$13.01 billion—\$6.51 billion in grants and \$6.50 billion in loans.<sup>2</sup> This quarter, total commitments increased roughly \$1.00 billion (8%).<sup>3</sup> The IMF made an additional \$741 million available for

FIGURE C.1  
INTERNATIONAL GRANTS AND LOANS, BY TYPE OF ASSISTANCE, STATUS, AND DONOR  
\$ Billions



Note: Data not audited. Numbers affected by rounding. Bilateral commitments exclude IRFFI deposits. Amounts may differ from prior quarters due to changes in foreign exchange rates.

Sources: NEA-I, responses to SIGIR data call, 1/5/2011 and 1/13/2011.

disbursement.<sup>4</sup> Also contributing to the increase were the announcement of the European Commission's Iraq assistance budget of \$124 million as well as upward revisions of assistance amounts from both Sweden (\$102 million) and Italy (\$133 million). Iran increased its commitments by \$50 million during the quarter.<sup>5</sup> For an overview of bilateral and multilateral development assistance, see Figure C.1.

## Bilateral Development Assistance

As of December 31, 2010, \$8.60 billion in bilateral assistance had been committed to Iraq.<sup>6</sup> The largest international (non-U.S.) donors include Japan, which has committed \$4.49 billion through grants and loans, and the European Commission (EC), which has committed \$0.84 billion through grants.<sup>7</sup>

## Multilateral Development Assistance

As of December 31, 2010, \$4.42 billion in multilateral assistance has been committed to Iraq. Multilateral development assistance includes loan commitments and pledges from the World Bank, International Monetary Fund (IMF), and Islamic Development Bank (IDB), as well as the International Reconstruction Fund Facility for Iraq (IRFFI) grants funded by donor deposits.<sup>8</sup>

### International Reconstruction Fund Facility for Iraq

The IRFFI was launched in 2004 to help donor nations channel their resources and coordinate support for reconstruction and development in Iraq. The facility comprises the World Bank Iraq Trust Fund (WB ITF) and the United Nations Development Group Iraq Trust Fund (UNDG ITF.) No new IRFFI projects will begin after the end of 2010; project completions and disbursements are to take place no later than December 31, 2013.<sup>9</sup> As of

December 31, 2010, 25 IRFFI donors, including the United States, had committed \$1.86 billion for Iraq reconstruction.<sup>10</sup> The largest IRFFI contributors are the European Commission (\$774 million in IRFFI deposits), Japan (\$492 million), and the United Kingdom (\$127 million).<sup>11</sup>

### International Monetary Fund

On October 1, 2010, the IMF completed the first review of Iraq's economic performance under the IMF's 24-month Stand-By Arrangement with Iraq, making an additional \$741 million available for disbursement.<sup>12</sup> As of December 31, 2010, the IMF has made a total of \$1.67 billion available to Iraq.<sup>13</sup>

### World Bank

The World Bank funds several programs to support the GOI in addressing 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 World Bank Iraq Trust Fund. WB ITF commitments to the IRFFI total \$497 million.<sup>14</sup> The cutoff date for donor's contributions for the WB ITF was December 31, 2008, and donors have agreed to terminate the fund on December 31, 2013. By this deadline, all WB ITF funding must be disbursed, and all projects will be completed.<sup>15</sup> As of November 30, 2010, the WB ITF has financed 24 projects, five of which have been fully implemented and closed. The remaining 19 projects are currently under implementation.<sup>16</sup>

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>17</sup> For the status of these projects, see Table C.1.

### United Nations

UNDG ITF commitments to the IRFFI total \$1.36 billion.<sup>18</sup> The UNDG ITF has approved 201

TABLE C.1  
**WORLD BANK IDA LOANS**  
 \$ Millions

PROJECT NAME	PROJECT AMOUNT	APPROVAL DATE	IMPLEMENTING AGENCY	DESCRIPTION	STATUS
Third Emergency Education	\$100.0	11/2005	Ministry of Education	Assists the Ministry of Electricity through reducing school overcrowding and strengthening its capacity to improve the quality of teaching and curricula.	The Bank's Board approved project restructuring in June 2009. The project will now support educational infrastructure (school construction), institutional strengthening (teacher training and curricula development), and project management.
Emergency Road Reconstruction	\$135.0	6/2006	Ministry of Construction & Housing	Assists in the rehabilitation of highways and village access roads in central, northern, and southern Iraq. Three floating bridges will also be replaced with permanent structures.	The pace of implementation in the central and southern provinces is expected to improve once the Umm Qasr–al-Zubair highway contract is awarded. Components in the northern provinces are open to traffic.
Dokan and Derbandikhan Hydropower	\$40.0	12/2006	KRG Ministry of Electricity	The plan aims to upgrade electricity supply in the Kurdistan region and the national grid. The project will directly impact an estimated 490,000 households and benefit industrial consumers.	\$37 million has been obligated and \$9.5 million has been disbursed. The credit was extended through September 2012, and additional financing will be required.
Emergency Electricity	\$124.0	3/2007	Ministry of Electricity	Aims to restore the base-load generating capacity of the Hartha power plant and build capacity at the Ministry of Electricity.	A contract to rehabilitate the Hartha power plant was signed in April 2009. The main contract commits the entire IDA credit. The World Bank has extended the closing date for this credit to June 2014.
Emergency Water Supply	\$109.5	6/2008	Ministry of Municipalities and Public Works	Intends to improve the quantity and quality of water availability in four high-priority provinces. Assists the GOI on developing a sustainable policy for the water sector.	Roughly \$75 million has been committed while three more works packages and two consultancy services are yet to be tendered. These additional services would commit another \$32 million.

Source: IRFFI, *World Bank Operations in Iraq Data Sheet*, 11/2010.

projects.<sup>19</sup> The cutoff date for donor contributions for the UNDG ITF was June 30, 2009; any funds that were not committed to a specific project by December 31, 2010, would be returned.<sup>20</sup> To meet this requirement, the UN agreed that no new projects would be approved after June 30, 2010.<sup>21</sup> The remaining UN funds were deposited in the UN's general Multilateral Donor Trust Fund and will go to support activities overseen by the UN Assistance Mission for Iraq (UNAMI).<sup>22</sup>

## Sources for International Donor Information

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. Efforts by

international donors now focus on helping Iraq sustain its progress. While some donors continue to support Iraq with technical assistance, economic development projects, and project financing, others are focusing on building relationships based on conventional trade and investment.<sup>23</sup> The Department of State's Bureau of Near Eastern Affairs-Iraq (NEA-I) does not expect substantial additional increases in donor commitments for Iraq reconstruction.<sup>24</sup>

### Department of State

NEA-I provides SIGIR with quarterly updates on international pledge and commitment figures from donor countries and international organizations.

### Iraq Development Management System

The new Iraq Development Management System (IDMS) was produced in order to unify all capital project databases being tracked by Iraq's Ministry

# INTERNATIONAL DONOR ASSISTANCE TO THE GOI

TABLE C.2  
**SNAPSHOT OF TOP DONOR-FUNDED PROJECTS**  
 \$ Millions

DONOR	PROJECT COST	TITLE	PROJECT IMPLEMENTATION STATUS	SECTOR (TRADITIONAL CLASSIFICATION)
Sweden, World Bank	\$150.0	Electricity reconstruction project (Rehabilitation of units 2 & 3 of HARTHA power station)	Ongoing	Infrastructure
Italy	\$128.8	Soft Loan for the implementation of an Aid Program for Rebuilding Iraq's Agricultural Sector and Promoting the Related Services	Ongoing	Agriculture, Food, and Fishing
World Bank Iraq Trust Fund	\$120.0	Irrigation and Drainage Schemes Rehabilitation and Water Resources Management Program	Ongoing	Agriculture, Food, and Fishing
Japan	\$118.7	Construction of a Diesel Power Station (60 MW) in Al-Samawah	Ongoing	Infrastructure
World Bank Iraq Trust Fund	\$110.0	Emergency Water, Sanitation, and Urban Reconstruction Project	Ongoing	Environment; Housing, Labor, and Social Affairs
World Bank	\$100.0	Construction of New School Buildings	Not Started	Education, Science, and Culture
Japan	\$72.2	Supply and Installation of Units Mobile Substations.	Completed	Infrastructure
Japan	\$68.4	Project for Rehabilitation of Four General Hospitals in the Northern Region of Iraq	Completed	Health
Japan	\$66.2	Rehabilitation of Taji Gas Turbine Power Station	Completed	Infrastructure
Japan	\$65.0	Project for Improvement of Trunk Communications Network	Completed	Infrastructure

**Note:** 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.

**Source:** GOI, Iraq Development Management System, [www.mop.gov.iq/idms](http://www.mop.gov.iq/idms), accessed 1/16/2011.

of Planning. The system is a comprehensive, web-based application that manages government and donor-funded development projects in Iraq. The IDMS system now hosts the Development Assistance Database (DAD).<sup>25</sup>

The Development Assistance Database (DAD) was established to serve as a reliable and credible source of information on donor contributions for the reconstruction, economic recovery, and socio-economic development of Iraq.<sup>26</sup> However, 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 16, 2011, the DAD reported total commitments of \$6.03 billion and disbursements of \$3.02 billion.<sup>27</sup> For an overview of Iraqi donor spending reported in the DAD, see Table C.2 and Table C.3.

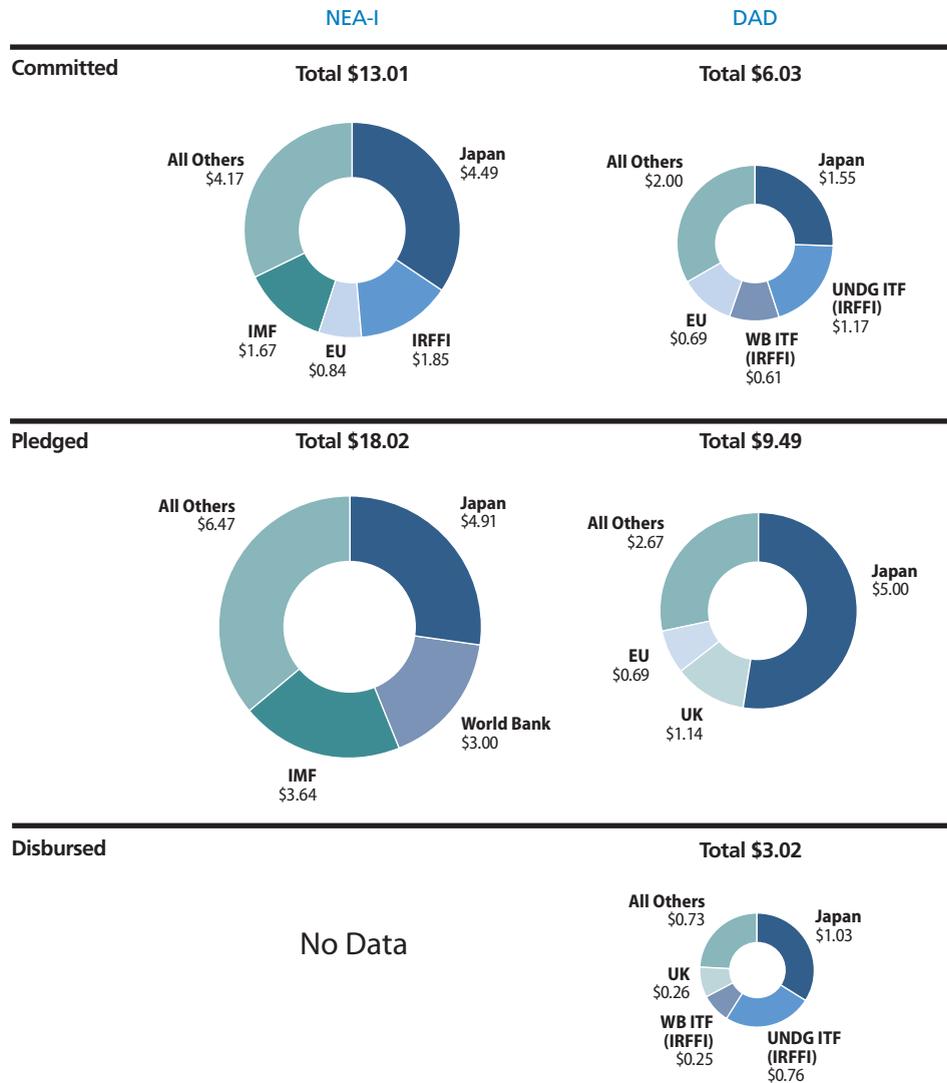
TABLE C.3  
**DONOR PROJECTS BY SECTOR**  
 \$ Millions

SECTOR	COMMITTED	DISBURSED
Infrastructure	1,077.27	755.92
Health	615.51	494.95
Governance and Democracy Development	610.45	426.48
Agriculture, Food, and Fishing	395.52	189.53
Education, Science, and Culture	375.06	284.95
Housing, Labor, and Social Affairs	358.09	257.03
Environment	324.37	227.48
Security	231.14	190.87
Economic Development	203.07	67.71
Unspecified/Unclassified	116.80	78.96
Energy	37.85	29.02
Unallocated	15.73	5.44
Enterprise and Industry	14.00	9.39
Economic Recovery And Poverty Allevation	7.80	4.50
Water and Sanitation	0.71	0.71
<b>Total</b>	<b>4,383.38</b>	<b>3,022.95</b>

**Note:** Data not formally reviewed, audited, or verified. Numbers affected by rounding. Data excludes U.S.-funded projects.

**Source:** GOI, Iraq Development Management System, [www.mop.gov.iq/idms](http://www.mop.gov.iq/idms), accessed 1/16/2011.

FIGURE C.2  
**COMMITTED, PLEDGED, AND DISBURSED FUNDS, NEA-I vs. DAD REPORTING**  
 \$ Billions



Note: Numbers affected by rounding. Amounts may differ from prior quarters due to changes in foreign exchange rates.

Sources: NEA-I, response to SIGIR data call, 1/5/2011; GOI, Iraq Development Management System, [www.mop.gov.iq/idms](http://www.mop.gov.iq/idms), accessed 1/16/2011.

The inconsistent nature of DAD reporting requirements has resulted in significant differences between figures reported by NEA-I and DAD.

For a breakdown of these differences, including committed, pledged, and disbursed amounts, see Figure C.2. ♦

## Endnotes

- 1 NEA-I, responses to SIGIR data call, 1/5/2011 and 1/13/2011.
- 2 NEA-I, responses to SIGIR data call, 1/5/2011 and 1/13/2011.
- 3 NEA-I, responses to SIGIR data call, 1/5/2011 and 1/13/2011.
- 4 IMF, Press Release No. 10/373, “IMF Executive Board Completes First Review Under Stand-By Arrangement with Iraq, Grants Waivers and Approves \$741 Million Disbursement,” 10/1/2010, [www.imf.org/external/np/sec/pr/2010/pr10373.htm](http://www.imf.org/external/np/sec/pr/2010/pr10373.htm), accessed 10/13/2010.
- 5 NEA-I, responses to SIGIR data call, 1/5/2011 and 1/13/2011.
- 6 NEA-I, responses to SIGIR data call, 1/5/2011 and 1/13/2011.
- 7 NEA-I, responses to SIGIR data call, 1/5/2011 and 1/13/2011.
- 8 NEA-I, responses to SIGIR data call, 1/5/2011 and 1/13/2011.
- 9 NEA-I, response to SIGIR data call, 4/2/2009.
- 10 NEA-I, responses to SIGIR data calls, 1/5/2011 and 1/13/2011; IRFFI, “Donor Commitments to the World Bank Iraq Trust Fund and United Nations Development Group Iraq Trust Fund,” 9/30/2010.
- 11 NEA-I, responses to SIGIR data call, 1/5/2011 and 1/13/2011.
- 12 IMF, Press Release No. 10/373, “IMF Executive Board Completes First Review Under Stand-By Arrangement with Iraq, Grants Waivers and Approves \$741 Million Disbursement,” 10/1/2010, [www.imf.org/external/np/sec/pr/2010/pr10373.htm](http://www.imf.org/external/np/sec/pr/2010/pr10373.htm), accessed 10/13/2010.
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- 15 IRFFI, “Final Statement of IRFFI Donor Committee Meeting,” Naples, Italy, 2/18/2009.
- 16 IRFFI, World Bank Operations in Iraq Data Sheet, 11/2010.
- 17 IRFFI, World Bank Operations in Iraq Data Sheet, 11/2010.
- 18 IRFFI, “Donor Commitments to the World Bank Iraq Trust Fund and United Nations Development Group Iraq Trust Fund,” 9/30/2010.
- 19 UNDG, “UNDG Iraq Trust Fund – Projects by Theme,” <http://mdtf.undp.org/factsheet/fund/ITF00>, accessed 1/12/2011.
- 20 IRFFI, “Final Statement of IRFFI Donor Committee Meeting,” Naples, Italy, 2/18/2009.
- 21 IRFFI, “Final Statement of IRFFI Donor Committee Meeting,” Baghdad, Iraq, 11/8/2009.
- 22 NEA-I, response to SIGIR data call, 4/2/2009.
- 23 NEA-I, response to SIGIR data call, 7/2/2009.
- 24 NEA-I, response to SIGIR data call, 7/13/2009.
- 25 USAID, responses to SIGIR data calls, 10/4/2010 and 1/3/2011.
- 26 GOI, Iraq Development Management System, [www.mop.gov.iq/idms](http://www.mop.gov.iq/idms), accessed 1/16/2011.
- 27 GOI, Iraq Development Management System, [www.mop.gov.iq/idms](http://www.mop.gov.iq/idms), accessed 1/16/2011.