

## INTERNATIONAL DONOR ASSISTANCE TO THE GOI

Donor assistance to the GOI includes bilateral and multilateral development assistance in the form of loans and grants. As of June 30, 2009, the Department of State (DoS) reported \$17.01 billion in total donor pledges, including \$5.26 billion in grants and \$11.75 billion in loans.<sup>1</sup> Donor commitments totaled \$9.86 billion—\$6.04 billion in grants and \$3.82 billion in loans.<sup>2</sup>

### Bilateral Development Assistance

As of June 30, 2009, \$7.15 billion in bilateral assistance had been committed to Iraq.<sup>3</sup> The largest international (non-U.S.) donors include Japan, which has committed \$3.60 billion through grants and loans, and the European Commission, which has committed \$0.72 billion through grants.<sup>4</sup> The only change in bilateral assistance during the quarter was a donation by Saudi Arabia of \$3.5 million to UNHCR for the benefit of Iraqi refugees. This is the first such gift by Saudi Arabia.<sup>5</sup>

### Multilateral Development Assistance

As of June 30, 2009, \$2.72 billion in multilateral assistance has been committed to Iraq.<sup>6</sup> Multilateral development assistance includes loan commitments and pledges from the World Bank, the International Monetary Fund (IMF), and the Islamic Development Bank (IDB), as well as International Reconstruction Fund Facility for Iraq (IRFFI) grants funded by donor deposits.<sup>7</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.) New IRRFI projects must start by the end of 2010; project completions and disbursements are to take place no later than December 31, 2013.<sup>8</sup> As of June 30, 2009, 25 IRFFI donors, including the United States, had committed \$1.85 billion for Iraq reconstruction.<sup>9</sup> The largest IRFFI contributors are the European Commission (\$772 million in IRFFI deposits), Japan (\$492 million), and the United Kingdom (\$127 million).

### International Monetary Fund

The GOI has held preliminary discussions with the IMF on a potential new Stand-By Arrangement for \$5.5 billion. Representatives of the GOI and IMF met in July to discuss conditions, with a view to potentially finalizing a program by October 2009.

### 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 IRRFI total \$497 million.<sup>10</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. No new projects will be approved after the end of 2009.<sup>11</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>12</sup> For the status of these projects, see Table E.1.

## United Nations

UNDG ITF commitments to the IRRFI total \$1.36 billion.<sup>13</sup> The UNDG ITF has approved 158 joint projects totaling \$1.22 billion, leaving \$160 million to be committed to new projects.<sup>14</sup> The cutoff date for donor contributions for the UNDG ITF was June 30, 2009; any funds that are not committed by December 31, 2010, will be returned. To meet this requirement, the UN agreed that no new projects will be approved after the end of 2009.<sup>15</sup> Any remaining UN funds will be 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>16</sup>

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

Project Name	Product Amount	Approval Date	Implementing Agency	Description	Status
Third Emergency Education	\$100	11/2005	Ministry of Education	Helps alleviate school overcrowding through construction of 82 new schools in 15 provinces. The project directly benefits about 57,000 students.	The number of schools that could be financed from this project has been reduced from 82 to 48—a result of local cost increases. The Ministry of Education is working with the World Bank to restructure the project to ensure that the project meets its development objective.
Emergency Road Rehabilitation	\$135	6/2006	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.	Although implementation of this project has been slow, progress has significantly improved. The project's Mid-Term Review occurred in March 2009, and the KRG component is fully contracted and is now disbursing. The central and southern Iraq components are expected to move forward more quickly due to significant progress on a large highway contract.
Dokan and Derbandikhan Hydropower	\$40	12/2006	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 benefit industrial consumers.	One project is signed, and two more are under negotiations. All ICB contracts are expected to be signed soon, and a contract for the Environmental Management Plan is ready for negotiation and signing. A draft report detailing the rehabilitation needs for Dokan and Derbandikhan is in its final stages.
Emergency Electricity Reconstruction	\$124	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 bank is in the process of issuing the Letter of Credit and initial payment for the contract.
Emergency Water Supply	\$109.5	6/2008	Ministry of Water Resources	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.	The effectiveness deadline was extended to July 31, 2009, at the request of the Ministry of Finance. The legal opinion from the Minister of Finance is required for the project to proceed and the credit to become effective. Three rehabilitation contracts are currently being evaluated.

Source: IRRFI, World Bank Operations i

## 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>17</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>18</sup>

### Department of State

NEA-I provides SIGIR with quarterly updates on international pledge and commitment figures from both donor countries and international organizations. For an overview of bilateral and multilateral funding, see Table E.2.

### Development Assistance Database

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 socioeconomic development of Iraq.<sup>19</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.

TABLE E.2  
INTERNATIONAL DONOR CONTRIBUTIONS TO IRAQ  
\$ Millions

TYPE	DONOR	GRANTS		LOANS	
		PLEDGED	COMMITTED	PLEDGED	COMMITTED
Bilateral	Japan	\$1,414	\$1,098	\$3,500	\$2,500
	EC	236	715	-	-
	UK	832	680	-	-
	Italy	236	332	600	150
	Korea	300	205	100	-
	Canada	230	140	-	-
	Kuwait	500	125	-	-
	Spain	242	112	-	-
	Saudi Arabia	500	91	500	-
	UAE	215	77	-	-
	Iran	-	-	1,000	300
	All Others	552	622	-	-
Multilateral	IRFFI	-	1,844	-	-
	IMF	-	-	2,550	475
	World Bank	-	-	3,000	399
	IDB	-	-	500	-
<b>Total</b>		<b>5,256</b>	<b>6,039</b>	<b>11,750</b>	<b>3,824</b>

Note: Numbers affected by rounding.

Source: NEA-I, response to SIGIR data call, 7/2/2009.

As of July 10, 2009, the DAD reported total commitments of \$5.96 billion—an increase of approximately \$462 million since April 2009.<sup>20</sup> Disbursements increased \$319 million this quarter, totaling \$2.97 billion.<sup>21</sup> For an overview of Iraqi donor spending reported in the DAD, see Table E.3 and Table E.4. For funding information by donor, refer to Table E.5.

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 E.1.

- <sup>1</sup> NEA-I, response to SIGIR data call, 7/2/2009.
- <sup>2</sup> NEA-I, response to SIGIR data call, 7/2/2009.
- <sup>3</sup> NEA-I, response to SIGIR data call, 7/2/2009.
- <sup>4</sup> NEA-I, response to SIGIR data call, 7/2/2009.
- <sup>5</sup> NEA-I, response to SIGIR data call, 7/2/2009.
- <sup>6</sup> NEA-I, response to SIGIR data call, 7/2/2009.
- <sup>7</sup> NEA-I, response to SIGIR data call, 7/2/2009.
- <sup>8</sup> NEA-I, response to SIGIR data call, 4/2/2009.
- <sup>9</sup> NEA-I, response to SIGIR data call, 4/2/2009; IRFFI, “Donor Commitments to the World Bank Iraq Trust Fund and United Nations Development Group Iraq Trust Fund,” 3/31/2009.
- <sup>10</sup> IRFFI, “Donor Commitments to the World Bank Iraq Trust Fund and United Nations Development Group Iraq Trust Fund,” 3/31/2009.
- <sup>11</sup> IRFFI, “Final Statement of IRFFI Donor Committee Meeting,” Naples, Italy, 2/18/2009.
- <sup>12</sup> IRFFI, “World Bank Operations in Iraq Data Sheet,” 5/31/2009.
- <sup>13</sup> IRFFI, “Donor Commitments to the World Bank Iraq Trust Fund and United Nations Development Group Iraq Trust Fund,” 3/31/2009.
- <sup>14</sup> NEA-I, response to SIGIR data call, 4/2/2009.
- <sup>15</sup> IRFFI, “Final Statement of IRFFI Donor Committee Meeting,” Naples, Italy, 2/18/2009.
- <sup>16</sup> NEA-I, response to SIGIR data call, 4/2/2009.
- <sup>17</sup> NEA-I, response to SIGIR data call, 7/2/2009.
- <sup>18</sup> NEA-I, response to SIGIR data call, 7/13/2009.
- <sup>19</sup> GOI, Development Assistance Database, [www.mop-iraq.org/dad/](http://www.mop-iraq.org/dad/), accessed 7/10/2009.
- <sup>20</sup> GOI, Development Assistance Database, [www.mop-iraq.org/dad/](http://www.mop-iraq.org/dad/), accessed 7/10/2009.
- <sup>21</sup> GOI, Development Assistance Database, [www.mop-iraq.org/dad/](http://www.mop-iraq.org/dad/), accessed 7/10/2009.

**TABLE E.3**  
**SNAPSHOT OF TOP DONOR-FUNDED PROJECTS**  
\$ Millions

DONOR	PROJECT COST (\$ MILLIONS)	TITLE	PROJECT IMPLEMENTATION STATUS	SECTOR (TRADITIONAL CLASSIFICATION)
Sweden, World Bank	\$150.00	Electricity reconstruction project (Rehabilitation of units 2 & 3 of HARTHA power station)	Ongoing	Infrastructure
Italy	\$128.84	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	\$120.00	Irrigation and Drainage Schemes Rehabilitation and Water Resources Management Program	Ongoing	Agriculture, Food, and Fishing
Japan	\$118.71	Construction of a diesel power station (60 MW) in Al-Samawah	Ongoing	Infrastructure
World Bank Iraq Trust Fund	\$110.00	Emergency Water, Sanitation, and Urban Reconstruction Project	Ongoing	Environment; Housing, Labor, and Social Affairs
World Bank	\$100.00	Construction of new school buildings	Not Started	Education, Science, and Culture
Japan	\$72.22	Supply and Installation of units mobile substations.	Completed	Infrastructure
Japan	\$68.45	Project for Rehabilitation of Four General Hospitals in the Northern Region of Iraq	Completed	Health
Japan	\$66.17	Rehabilitation of Taji Gas Turbine Power Station	Completed	Infrastructure
Japan	\$65.04	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, Development Assistance Database, [www.mop-iraq.org/dad/](http://www.mop-iraq.org/dad/), accessed 7/10/2009.

TABLE E.4  
DONOR PROJECTS BY SECTOR

\$Millions

SECTOR	COMMITTED	DISBURSED
Agriculture, Food, and Fishing	\$406.83	\$200.42
Economic Development	203.47	68.44
Education, Science, and Culture	365.51	265.78
Energy	37.85	29.10
Enterprise and Industry	5.00	3.25
Environment	324.37	227.21
Governance and Democracy Development	600.32	420.23
Health	606.55	485.61
Housing, Labor, and Social Affairs	357.17	256.33
Infrastructure	1,029.67	743.31
Security	231.14	195.30
Unallocated	15.60	5.31
Unspecified/Unclassified	56.48	45.59
<b>Total</b>	<b>\$4,239.97</b>	<b>\$2,945.90</b>

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

Source: GOI, Development Assistance Database, [www.mop-iraq.org/dad](http://www.mop-iraq.org/dad), accessed 7/10/2009.

TABLE E.5  
INTERNATIONAL DONORS

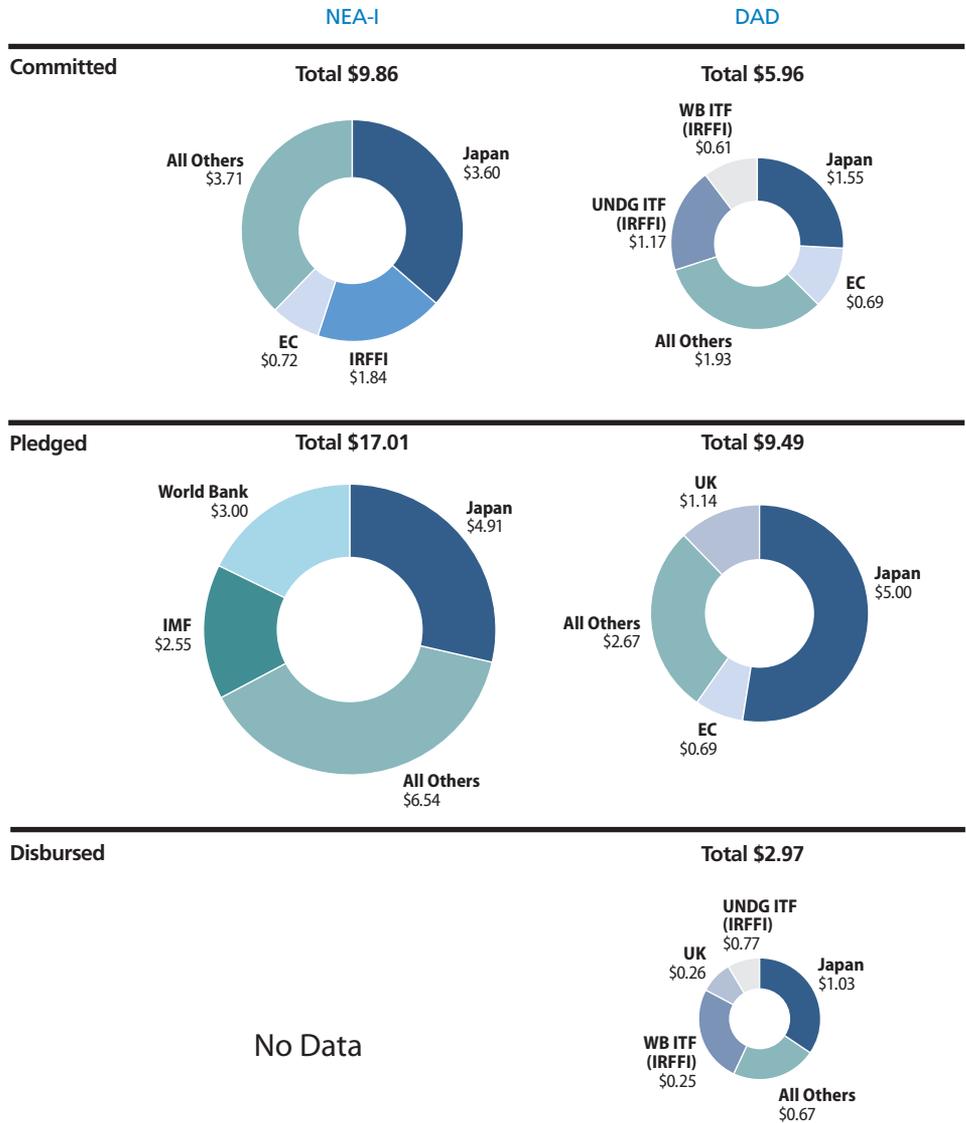
\$ Millions

DONOR	COMMITTED	DISBURSED
United Nations Development Group Iraq Trust Fund	\$1,173.56	\$769.06
Japan	\$1,060.17	\$1,029.88
World Bank Iraq Trust Fund	\$612.00	\$246.10
United Kingdom	\$448.71	\$259.12
Italy	\$236.44	\$222.52
Korea	\$219.75	\$141.51
World Bank	\$164.00	-
Canada	\$109.54	\$106.08
Spain	\$105.78	\$62.25
Sweden	\$100.77	\$76.75
United Nations Development Programme Thematic Trust Fund (funded by EU)	\$36.65	\$34.21
United Nations Development Programme	\$18.91	\$6.78
Norway	\$9.08	\$8.38
European Community	\$5.71	\$1.79
Denmark	\$4.81	\$2.33
Netherlands	\$3.00	\$2.48
Belgium	\$2.49	\$2.47
Germany	\$0.81	\$0.59
Democratic Governance Thematic Trust Fund	\$0.10	-
Turkey	\$0.10	\$0.10
Jordan	\$0.08	-
France	\$0.03	-

Note: Numbers affected by rounding.

Source: GOI, Development Assistance Database, [www.mop-iraq.org/dad](http://www.mop-iraq.org/dad), accessed 7/10/2009.

FIGURE E.1  
**COMMITTED, PLEDGED, AND DISBURSED FUNDS**  
 \$ Billions



Note: Numbers affected by rounding.

Source: NEA-I, response to SIGIR data call, 7/2/2009; GOI, Development Assistance Database, [www.mop-iraq.org/dad](http://www.mop-iraq.org/dad), accessed 7/13/2009.